

Stock code: 000963 Stock abbreviation: Huadong Medicine Announcement No.: 2021-076

Huadong Medicine Co., Ltd.

The Third Quarterly Report 2021

The Company and all members of the Board of Directors hereby guarantee that the information presented in this report is authentic, accurate and complete and free of any false records, misleading statements or material omissions.

Important Declaration:

1.The Board of Directors, Board of Supervisors, directors, supervisors and senior management of Huadong Medicine Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this report is authentic, accurate and complete and free of any false records, misleading statements or material omissions, and shall undertake individual and joint legal liabilities.

2.The Company’s legal representative and the officer in charge of accounting, and head of accounting department (accounting supervisor) hereby declare and guarantee that the financial statements in this quarter report are authentic, accurate and complete.

3.Has the third quarterly report been audited?

Yes No

This report is prepared both in Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

I. Key financial data

(I) Key Accounting Data and Financial Indicators

Whether the Company needs to perform retroactive adjustment or restatement of previous accounting data

Yes No

	The current reporting period	Change of the current reporting period over the same period last year	From the beginning of the year to the end of the reporting period	Change from the beginning of the year to the end of the reporting period over the same period last year
Operating revenue (yuan)	8,748,039,460.66	-1.04%	25,927,477,363.27	1.67%
Net profit attributable to shareholders of listed companies (yuan)	595,038,254.49	-9.88%	1,895,384,579.34	-20.74%
Net profit attributable to shareholders of listed	568,039,187.19	-9.00%	1,762,020,074.37	-13.24%

companies after deducting non-recurring gains/losses (yuan)				
Net cash flow from operating activities (yuan)	---	---	2,105,916,826.72	10.73%
Basic earnings per share (yuan/share)	0.3401	-9.88%	1.0832	-20.74%
Diluted earnings per share (yuan/share)	0.3401	-9.88%	1.0832	-20.74%
Weighted average return on equity (ROE)	3.75%	-1.00%	12.28%	-5.41%
	End of the current reporting period	End of last year	Change of the end of the current reporting period over the end of last year	
Total assets (yuan)	27,687,711,922.81	24,201,348,154.75	14.41%	
Owners' equity attributable to shareholders of listed companies (yuan)	16,250,585,502.88	14,619,821,308.60	11.15%	

Share capital of the Company as of the trading day before disclosure:

Share capital of the Company as of the trading day before disclosure (share)	1,749,809,548
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Fully diluted earnings per share calculated on the basis of the latest Share capital

Dividends paid on preferred shares	0.00
Perpetual bond interest paid (yuan)	0.00
Fully diluted earnings per share calculated on the basis of the latest Share capital (yuan/share)	1.0832

(II) Items and amounts of non-recurring gains/losses

Applicable N/A

Item	Amount of the current reporting period	Amount (from the beginning of the year to the end of the reporting period)	Note
Gains/losses on disposal of non-current assets (including the written-off part of the accrued assets impairment reserve)	-356,832.47	-466,951.55	
Government grants included in current gains/losses(excluding those closely related to normal operating activities, in line with national policies and measured according to unified national standards)	19,665,596.43	157,973,691.62	
Receivables subject to separate impairment test and reversal of reserve for impairment		5,388,185.00	
Other non-operating income or expenditure	2,888,378.89	-2,028,188.08	
Less: Amount affected by income tax	-2,745,429.38	19,349,865.15	
Amount affected by minority interest (after tax)	-2,056,495.07	8,152,366.87	
Total	26,999,067.30	133,364,504.97	--

Details of other gains/losses items satisfying the definition of non-recurring gains/losses:

Applicable N/A

No such case.

If the Company recognizes a non-recurring gain/loss listed in the "Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Companies – Non-Recurring Profit/Loss" as a recurring gain/loss, reasons should be specified.

Applicable N/A

No such case.

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

√ Applicable □ N/A

				Unit: RMB yuan
Balance sheet item	End of the period	Beginning of the period	Change rate	Notes on cause of changes
Accounts receivable financing	572,080,968.64	828,659,217.25	-30.96%	Mainly due to banker's acceptance discount in the current period
Accounts receivable	8,147,812,875.63	6,137,675,568.82	32.75%	Mainly due to income growth and capital return fluctuation
Other receivables	299,688,469.54	87,269,489.82	243.41%	Mainly due to the increase of equity transfer accounts receivable and suspense accounts receivable
Other current assets	38,039,156.52	85,654,691.58	-55.59%	Mainly due to the decrease of input VAT to be deducted at the end of the period
Other equity instruments investment	129,841,291.42	225,453,120.05	-42.41%	Mainly due to the transfer of equity instrument investment of Ningbo Donghai Bank and the sale of some RAPT shares in the current period
Goodwill	2,100,106,651.09	1,469,617,262.10	42.90%	Mainly due to the acquisition of Doer Biologics and High Tech in the current period
Notes payable	1,381,336,643.84	554,336,058.71	149.19%	Mainly due to the increase of bill payment in the current period
Contract liabilities	186,487,690.02	94,384,629.77	97.58%	Mainly due to the increase of advance drug payments in the current period
Non-current liabilities due within one year	23,288,386.11	67,813,886.68	-65.66%	Mainly due to the decrease of long-term payables and long-term borrowing due within one year
Long-term payables	164,454,591.48	26,812,354.90	513.35%	Mainly due to the increase in contingent and deferred consideration resulting from the acquisition of external companies by the subsidiaries
Long term loan	287,439,900.00	151,611,367.86	89.59%	Mainly due to the increase of subsidiaries' long-term borrowing
Other comprehensive income	91,912,418.43	-2,191,069.45	4294.87%	Mainly due to the increase in the exchange differences from translation of foreign currency statements
Income statement item	Amount of the current period	Amount of the previous period	Change rate	Notes on cause of changes
Gains on assets disposal	-149,966.61	304,146,257.99	-100.05%	Mainly due to the income from asset disposal of Sinclair in the previous period
Investment income	-60,001,493.40	-20,950,134.64	-186.40%	Mainly due to the increase of discount interest and the decrease of net profit of joint ventures in the current period
Cash flow statement item	Amount of the current period	Amount of the previous period	Change rate	Notes on cause of changes
Net cash flows from investing activities	-1,406,864,147.47	-920,040,870.59	-52.91%	Mainly due to the increase of equity investment in the current period

II. Shareholder information**(I) Total number of shareholders of common shares and number of shareholders of preferred shares with voting rights restored, as well as information about top 10 shareholders**

Unit: share

Total number of shareholders of common shares at the end of the reporting period	195,693	Total number of shareholders of preferred shares whose voting rights have been restored at the end of the	0
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				reporting period (if any)		
Information about top 10 shareholders						
Name	Nature	Shareholding ratio	Number of shares held	Number of shares held with sale restrictions	Pledged, marked or frozen	
					Status	Number
China Grand Enterprises, Inc.	Domestic non-state-owned legal person	41.77%	730,938,157	0	Pledged	238,450,000
Hangzhou Huadong Medicine Group Co., Ltd.	State-owned legal person	16.46%	288,000,000	0		
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.75%	30,641,915	0		
China Securities Finance Co., Ltd.	Domestic non-state-owned legal person	1.27%	22,186,818	0		
National Social Security Fund Portfolio 503	Others	0.49%	8,500,086	0		
#Liu Li	Domestic natural persons	0.34%	6,000,000	0		
Basic Endowment Insurance Fund Portfolio 15041	Others	0.27%	4,682,950	0		
#Chen Shaoming	Domestic natural persons	0.21%	3,744,388	0		
Norges Bank—own funds	Overseas legal person	0.16%	2,776,229	0		
China Merchants Bank Co., Ltd.—Xingquanheyuan 2-year Holding Mixed Securities Investment Fund	Others	0.15%	2,609,639	0		
Shares held by the top 10 shareholders of Non- restricted shares						
Name	Number of shares held without sale restrictions			Type of shares		
				Type	Number	
China Grand Enterprises, Inc.	730,938,157			RMB common shares	730,938,157	
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000			RMB common shares	288,000,000	
Hong Kong Securities Clearing Company Ltd.	30,641,915			RMB common shares	30,641,915	
China Securities Finance Co., Ltd.	22,186,818			RMB common shares	22,186,818	
National Social Security Fund Portfolio 503	8,500,086			RMB common shares	8,500,086	
#Liu Li	6,000,000			RMB common shares	6,000,000	
Basic Endowment Insurance Fund Portfolio 15041	4,682,950			RMB common shares	4,682,950	
#Chen Shaoming	3,744,388			RMB common shares	3,744,388	

Norges Bank—own funds	2,776,229	RMB common shares	2,776,229
China Merchants Bank Co., Ltd.—Xingquanheyuan 2-year Holding Mixed Securities Investment Fund	2,609,639	RMB common shares	2,609,639
Notes on relations and concerted actions among the shareholders mentioned above	The Company does not know whether the shareholders mentioned above are related parties with each other or whether they are acting-in-concert parties with each other.		
Notes on financing and securities loan conducted by top 10 shareholders (if any)	At the end of the current reporting period, Liu Li, the sixth shareholder of the Company, held 6,000,000 shares of the Company through financing and securities loan, Chen Shaoming, the eighth shareholder of the Company, held 3,651,388 shares of the Company through financing and securities loan.		

(II) Total number of shareholders of preferred shares and information about top 10 shareholders of preferred shares

Applicable N/A

III. Other important matters

Applicable N/A

(I) Overview of operations

1. The Company's operations during the reporting period

In the first three quarters of 2021, the Company deepened the transformation and innovation work. The performance of business indicators in the reporting period decreased year-on-year, but has been significantly improved compared with the first half of the year, and the overall operation maintained a stable and positive trend. The core subsidiary Zhongmei Huadong actively overcame the business and market pressure brought about by the reform of the domestic pharmaceutical industry, accelerated the process of innovation and internationalization, and strengthened the development of out-of-hospital and grass-roots markets. In the first three quarters of 2021, the operating income reached RMB7.804 billion, down 11.4% year on year, and the net profit was RMB1.72 billion, down 11.1% year on year. While the sales volume of main products was increasing, the income from immunity and cardiovascular products continued to increase rapidly. The export of customized high-end bulk drugs (Contract Development and Manufacturing Organization, CDMO) and e-commerce business continued to develop, reflecting the resilience and growth potential of the Company's pharmaceutical manufacturing business as a whole. In the third quarter, Zhongmei Huadong was affected by product price reduction continuously, with the operating income decreasing by 12.7% year on year but increasing by 2.0% quarter on quarter, and the net profit decreasing by 5.2% year on year (compared with 14.6% year-on-year decline of the first quarter of 2021 and 11.7% year-on-year decline of the second quarter of 2021, indicating the

trend of narrowing decline and stabilization) but increasing by 14.8% quarter on quarter, which has laid a solid foundation for returning to growth in 2022. In the fourth quarter, the Company will make every effort to manage the operation, strive to achieve growth in the quarter, and endeavor to achieve the operating objectives of the whole year.

Ellans e[®], the core aesthetic medicine product of the Company, has been officially placed on the Chinese mainland market at the end of August. It has been accurately positioned for high-end regeneration market with its unique advantages of “immediate filling, lasting effect and being metabolizable”. Currently, the number of contracted cooperative hospitals for the product exceeds 120, the number of trained and certified doctors exceeds 200, and its sales and promotion was ready. Ellans e[®] has received extensive attention and popularity from the market since its launch, with a stack of orders from aesthetic medicine institutions and good feedback from customers. As of the release date of this report, the Company has received advances of more than RMB100 million for the product, and is expected to beat the annual sales target, and drive the Company’s domestic aesthetic medicine business to achieve new growth in 2022 based on the head start this year. Facing the strong demand in the domestic market, the Company requires Sinclair’s Dutch factory to give priority to the supply in the domestic market, thus shortening the waiting time of customers. At the same time, the Company will strictly select cooperative institutions and constantly increase the training and certification of doctors to provide responsible and high-quality services to customers. Moreover, to meet the demand growth of Ellans e[®] in the global market, in addition to the factory in Utrecht in the Netherlands, Sinclair built a new factory in Almere, Netherlands, to expand its capacity. At present, the new factory is completed and put into use after passing the certification and approval, so as to fully ensure the subsequent supply of Ellans e[®] around the globe.

During the reporting period, the Company’s overseas aesthetic medicine business continued to show rapid growth with the relaxation of pandemic containment measures in various countries. The sales of Ellans e[®], the core product of Sinclair UK, MaiLi[®] series product, a newly-launched high-end hyaluronic acid filler in Europe, Lanluma[®], a collagen stimulant, and other products continued to outperform the expectation. In the first three quarters of 2021, Sinclair’s operating income (including acquired Spanish company High Tech) was GBP53.06 million (approximately RMB473 million) with a year-on-year increase of 127.4%. Specifically, Sinclair’s own income increased by 79.24%, and its annual income is expected to reach the highest level in history. Driven by good sales in the end market, High Tech received sufficient orders during the year, which has provided a strong guarantee for the rapid growth of annual income. In the first three quarters of 2021, affected by factors such as non-recurring expenses for the acquisition of High Tech’s equities, Sinclair’s net profit in the overall consolidated statement still showed a loss, but its earnings before

interest, taxes, depreciation and amortization (i.e. EBITDA) was GBP5.06 million (consolidated specifications), the highest EBITDA since the Company completed the buyout of Sinclair in 2018, and also important evidence of the Company's ability to run the aesthetic medicine business around the globe.

Huadong Pharmaceutical Distribution Company has actively optimized the in-hospital market and expanded the out-of-hospital market, and the overall business maintained a stable growth. In the first three quarters of 2021, the Company's pharmaceutical commerce segment achieved an operating income of RMB17.268 billion with a year-on-year increase of 7.03%. The establishment of product promotion teams has been accelerated, and the number of innovative drugs introduced to sell by proxy during the year has exceeded that in 2020. The third-party logistics business of pharmaceutical commerce continued with rapid growth, with the phased task of the distribution of COVID-19 vaccines in Zhejiang Province being fully completed. The construction of Jinhua logistics center entered the final stage. During the reporting period, the Company was also selected as a key e-commerce platform enterprise in 2021-2022 in Zhejiang Province.

The main reason for the difference between year-on-year decrease in the Company's net profit and the net profit after deducting non-recurring profits and losses in the reporting period is that the Company's non-recurring profits and losses in the first quarter of 2020 were RMB290 million, including a net income of GBP30.65 million from the transfer of regional product distribution rights by Sinclair to Galderma, which greatly increased the Company's overall income in the first quarter of 2020. No such matters occurred during the reporting period, and other non-recurring gains and losses totaled RMB133 million in the first three quarters of 2021, resulting in a decrease in the net profit attributable to shareholders of the listed company year on year.

2. Building an R&D ecosystem of the Company and accelerating the process of innovation and internationalization

During the reporting period, Zhongmei Huadong and Huadong Medicine Investment Holding (Hong Kong) Co., Ltd. (hereinafter referred to as the "Investment Holding"), wholly-owned subsidiaries of the Company, signed an equity investment agreement and exclusive product license agreement with Ashvattha Therapeutic, Inc. (hereinafter referred to as "Ashvattha"). Investment Holding will subscribe for Series B preferred shares issued by Ashvattha in stages. Meanwhile, Zhongmei Huadong will obtain the exclusive license of Ashvattha's 8 products under research in 20 Asian countries and regions such as China, Singapore and Malaysia, including the use of Ashvattha's relevant intellectual property rights for R&D, production and commercialization.

Ashvattha is an innovative biopharmaceutical enterprise focusing on the development of hydroxyl dendrimer (HD) therapeutics (HDTs). Based on interdisciplinary transformation research

of dendrimers that can cross the tissue barrier, its scientific research team connects active pharmaceutical ingredients (API) or imaging agent with HD to form new patented drugs, which can achieve precise treatment by targeting disease cells and have clinical significance and application prospect. Ashvattha applies the technology of nanomedicine and nano materials. Its unique HD platform is the only hydroxyl dendrimer platform capable of producing highly selective drugs in the world. Ashvattha has a reasonable patent portfolio and has the potential to develop a variety of therapeutic drugs.

Ashvattha was founded by three scientists, namely, Dr. Kannan Rangaramanujam, the Arnall Patz distinguished professor of ophthalmology and co-director of center for nanomedicine at the Wilmer Eye Institute at Johns Hopkins School of Medicine, Dr. Sujatha Kannan, the Richard J. Traystman Professor and Vice chair of research in Anesthesiology and Critical Care Medicine (ACCM) at Johns Hopkins School of Medicine, and Dr. Jeffrey Cleland, who graduated from Massachusetts Institute of Technology in chemical engineering, worked for Genentech and committed to new drug research and development for more than ten years. The three founders have made achievements in the field of medicine, published a large number of academic articles and owned dozens of invention patents. In addition, Ashvattha also has a team of professional consultants with rich research experience and professional experience.

The Company introduced eight products under research from Ashvattha, covering the fields of tumor, metabolic comorbidity, inflammation, etc.. One of the products has entered phase II clinical trial in the United States, and two products will be submitted for IND review in the United States in the first quarter of 2022. This cooperation will further enrich the Company's innovative product pipeline in the fields of tumor, immunity and endocrinology, and help to improve the Company's internationalization and scientific research innovation level. In the future, the products will also provide doctors and patients with more precise and scientific diagnosis and treatment and medication options after launching.

The Company has invested, held shares in and incubated a number of domestic biotechnology companies with leading technology. For example, it invested in Peg-Bio Biopharm featuring a peptide technology platform, Qyuns Therapeutics, an antibody company focusing on immune diseases, and Nuoling Biomedical Technology featuring ADC linker and coupling technology; it incubated Huida Biotech which has a full line of toxin ingredients used to develop ADC drugs; and it holds stakes in Doer Biologics which focuses on the development of a Polyclonal antibody platform. Through those efforts, the Company has gradually formed its own medical R&D ecosystem. The cooperation with Ashvattha and the introduction of its HD platform technology will become an important part of the Company's efforts to build an R&D ecosystem and accelerate its

process of innovation and internationalization.



3. Continuing to enrich product lines and enhancing the competitiveness of diabetes medicine

During the reporting period, the application for marketing authorization regarding the indications for diabetes of the Company's GLP-1 receptor agonist Liraglutide injection was accepted in September 2021. In addition to the original research company, there is no domestic manufacturer applying for its marketing authorization. Therefore, the Company is expected to become the first enterprise in China to obtain approval for the marketing authorization of Liraglutide's biosimilar. Furthermore, the Company has carried out phase III clinical research on the indication for weight loss of Liraglutide injection. At present, the enrollment has been completed and a follow-up visit is underway. It is planned to carry out the application for marketing authorization by the end of 2021.

In September 2021, the Company granted the exclusive development, production and commercialization rights of the world's first small-molecule oral GLP-1 receptor agonist TTP273 in Korea to Daewon Pharmaceutical Co., Ltd. of South Korea, which is the Company's first license-out of innovative products (see the relevant announcement issued by the Company on September 30, 2021).

In October, the Company entered into strategic cooperation with Takeda Pharmaceuticals Company Ltd. (hereinafter referred to as "Takeda") on the commercialization rights of globally innovative DPP-4 inhibitor Nesina[®] (Alogliptin Benzoate Tablets) in China, which has been

launched in China, further enriching the Company's diabetes product portfolio, forming synergy with the Company's existing key products in the field of diabetes, and continuously consolidating and enhancing the competitiveness and leading position of the Company in the field of diabetes medicine in China. The alliance with Takeda also shows the industry's affirmation of the commercialization ability of the Company in the local market of diabetes medicine.

The company has been engaged in the field of diabetes medicine for nearly 20 years, has established a product matrix of core therapeutic targets and mainstream clinical drugs, and already has more than 20 commercialized products and products under research. The diabetes medicine market will continue to be a core area for the Company to expand its layout in the future. The Company will actively accelerate the process of innovation and industrialization through independent research and development, cooperation, equity investment and other diversified modes, continuously provide cutting-edge and advanced drugs in the world, continuously broaden the road of internationalization and make progress towards the world's leading diabetes medicine manufacturing enterprise.

华东医药糖尿病领域全产品线布局（研发进度截止2021年10月）

传统口服降糖药	DPP-4抑制剂	SGLT-2抑制剂	GLP-1受体激动剂	GLP-1R和GIPR双靶点激动剂	胰岛素及类似物
阿卡波糖片 (已上市)	西格列汀二甲双胍片 (50/500mg已获批上市)	卡格列净片 (已申报上市)	利拉鲁肽注射液 (糖尿病适应症: 已申报上市)	SCO-094 (2型糖尿病: 英国临床I期)	门冬胰岛素 (临床前)
阿卡波糖咀嚼片 (已上市)	西格列汀二甲双胍片 (50/850mg已申报上市)	恩格列净二甲双胍片 (已获批上市)	利拉鲁肽注射液 (减肥适应症: 临床III期)		德谷胰岛素 (临床前)
吡格列酮二甲双胍片 (15mg/500mg已上市)	苯甲酸阿格列汀片 (已上市)		TTP273片 (临床II期)		胰高血糖素 (临床前)
伏格列波糖片 (已上市)			索马鲁肽 (临床前)		
盐酸吡格列酮片 (已上市)					
吡格列酮二甲双胍片 (15/850mg BE进行中)					

4. Building a non-invasive + minimally invasive high-end product pipeline to bring a new growth momentum to the global aesthetic medicine business















During the reporting period, Sinclair cooperated with KiOmed in Belgium to obtain the exclusive license of four globally innovative KiOmedine[®] chitosan products under research and all subsequent chitosan related aesthetic medicine products in the field of aesthetic medicine for skin in other regions of the world except the United States, including the use of KiOmed related intellectual property rights for R&D, production and commercialization. The cooperation is another important strategic measure for global layout of the Company in the field of light aesthetic medicine, will

further enrich the Company's innovative filler product pipeline of aesthetic medicine, and realize the full coverage of products in the fields of hyaluronic acid, collagen stimulant, skin booster and so on. KiOmedine[®] is a high-purity natural (non-animal-sourced) medical chitosan derivative developed by KiOmed using its unique patented technology. Compared with hyaluronic acid, KiOmedine[®] is characterized by deep moisturizing, increasing collagen level and anti-aging. In addition, KiOmedine[®] series fillers are expected to further prolong the action time of hyaluronic acid and achieve long-acting filling effect. At present, there is no similar product in the market all over the world. The future launch of the product is expected to change the product landscape of the hyaluronic acid market and will become another potential blockbuster product in the field besides high-end hyaluronic acid MaiLi[®].

The Company introduced a cold-touch cosmetic instrument from R2 Company, Glacial Spa[™] (F0, life cosmetology version of a frozen freckle-removing medical device), has obtained marketing approval in Korea and Taiwan of China, and the Non-medical Devices Management Certification from NMPA. It is expected to be officially marketed in China in the fourth quarter of 2021. Cooperation intentions have been reached with some beauty institutions.

In addition, the Company has made launching plans in China for the main products on sale overseas and innovative products under research of the wholly-owned subsidiary High Tech in Spain engaged in energy source aesthetic medicine devices, and the relevant registration preparations have been carried out orderly. In particular, the registration of cryolipolysis product Cooltech Define and laser hair removal device Primelase in China will be officially launched before the end of 2021. Safyre, an RF product marketed overseas and suitable for facial rejuvenation and body shaping, is expected to be rolled out in China in the second quarter of 2022.

The Company will continue to accelerate the progress of clinical registration and promotion of core aesthetic medicine products at home and abroad, and continuously improve the competitive advantage in the industry by penetrating the global high-end aesthetic medicine market. After three years of rapid development, the Company's aesthetic medicine business has achieved phased strategic objectives, and developed more than 20 products in the field of non-invasive + minimally invasive aesthetic medicine, with the number and coverage among the front rank of the industry. Of those products, several are expected to be released and sold at home and abroad before 2025, bringing new growth momentum to the Company's global aesthetic medicine business.

填充							肉毒素	埋线				
Ellans e®伊妍仕™ 注射用聚己内酯微球	Lanluma® (聚左旋乳酸类胶 原蛋白刺激剂)	MaiLi®系列 新型高端含利多 卡因透明质酸	Perfectha®系列 双相透明质酸	与Kylane公司合 作两款重点研发 产品	皮肤动能素 (天然<非动物源> 羧烷基壳聚糖注射 剂)	3款KiOmedine® 填充剂 (天然<非动物源> 羧烷基壳聚糖和透 明质酸注射剂)	Botulinum Toxin 1 (A型肉毒素)	美容埋线 Silhouette®Instalift™				
				研发中	研发中	研发中						
用于皮下层植入 以纠正中到重度 鼻唇沟皱纹	面部和身体填充剂	面部填充	面部填充	面部和身体填充剂	抗衰 改善肤质	唇部、面部 填充塑形	除皱	适用于中面部提拉手术 短暂固定并提拉 脸颊下真皮位置				
中国已上市 全球 60 多个国家或 地区获注册认证 或上市准入	欧盟 CE 认证 欧洲已上市	欧盟 CE 认证 欧洲已上市	全球 60 多个国家 或地区获注册认 证或上市准入 欧盟 CE 认证	研发阶段 预计将于 2026 年 获得欧盟 CE 认证	研发阶段 预计 2023 年获得 欧盟 CE 认证	研发阶段 预计 2024 年后陆 续获得欧盟 CE 认证	中国注册上市推进中	美国 FDA 认证 全球 60 多个国家获地区 获注册认证或上市准入 预计 2024 年在中国上市				
皮肤管理			身体塑形						脱毛			
酷雪™Glacial Spa™ (F0)	F1 (Glacial Rx™)	F2 (Glacial Ai)	Cooltech	Cooltech Define	Crystile	Define2.0	Define3.0	Titania	Safyre	Primelase	Primelase Pro	Elyson
		研发中				研发中	研发中	研发中			研发中	
皮肤美白提亮	祛除皮肤的良性色素 性病变和低温缓解 疼痛、肿胀、炎症 和血肿	全身美白	身体减脂塑形	身体减脂塑形	身体减脂塑形	紧肤塑形	紧肤塑形	紧肤塑形	面部年轻 化及身体 塑形	脱毛	脱毛	脱毛
美国、韩国获批上市 中国台湾已递交上市 申请 2021 年四季度 登陆中国市场	美国 FDA 510(k)认证 预计 2024 年 在中国上市	海外研发阶段 预计 2024 年在 美国上市	欧盟 CE 认证 欧洲已上市	欧盟 CE 认证 澳洲 TGA 认证 海外已上市	海外已上市	海外研发阶段 预计 2023 年 获得欧盟 CE 认证	海外研发阶段 预计 2024 年 获得欧盟 CE 认证	海外研发阶段 预计 2022 年 获得欧盟 CE 认证	预计 2022 年 中国上市	全球 11 个 国家或地 区获注册 认证或上 市准入	海外研发阶段 预计 2023 年 获得欧盟 CE 认证	全球 7 个 国家或地 区获注册 认证或上 市准入

Note 1: Due to the liquidation of Huadong Ningbo after its operations expire, there is still uncertainty about the subsequent ownership of the interests in the commercialization of botulinum toxin products in China with Jetema of South Korea.

(II) Research and development and registration

During the reporting period, the Company continued to accelerate the R&D work, with a total R&D investment of RMB904 million in the pharmaceutical industry, a year-on-year increase of 8.9%. The clinical study and registration of products under research in the Company's core areas is advancing in an orderly manner.

As of the release of the report, the main R&D and registration progress of the Company's medicine business is as follows:

1. Diabetes

The application for marketing authorization regarding the indication for diabetes of GLP-1 receptor agonist Liraglutide injection was accepted in September 2021. The non-clinical study of Insulin Aspart injection was completed, and it is expected that the application for IND review will be submitted in the first quarter of 2022. HDM1003 (SCO-094) is a dual agonist that targets both GLP-1R and GIPR for the treatment of diseases such as type 2 diabetes, obesity and non-alcoholic steatohepatitis (NASH), jointly developed by the Company and SCOHIA PHARMA, Inc. in Japan. Its Phase I clinical trial is being carried out in the United Kingdom, and the Pre-IND application in China has been submitted. DR10624 is a multiple agonist under research by the holding subsidiary Zhejiang Doer Biologics Corporation that targets GLP-1R/GCGR/FGF21, which can be used for the treatment of diseases such as type 2 diabetes, obesity and NASH. The preparations of its phase I clinical trial overseas and pre-IND application in China in 2022 are underway.

2. Tumor

HDM2002 (IMGN853), developed jointly by the Company and ImmunoGen of the United States, is the world's first ADC drug for FR α -positive ovarian cancer. Its phase III multi-regional clinical trial has been initiated in China, and it is expected that clinical enrollment will be completed in 2022. The clinical enrollment of another key single-arm clinical trial of the drug has been completed in the United States and Europe in the second quarter, and preliminary test results are expected to be obtained by the end of 2021. Mefatinib for the treatment of advanced non-small cell lung cancer is under phase III clinical trial, and the enrollment of the subjects for the phase III clinical trial has been completed. It is expected to carry out application for marketing authorization after the completion of phase III clinical trial in 2022. DR30303 is a product under research of the holding subsidiary Zhejiang Doer Biologics Corporation for the treatment of gastric cancer and pancreatic cancer, and feedback has been received from CDE concerning its application for pre-IND. Its phase I clinical trial will be launched in China in 2022 after IND approval.

3. Autoimmunity

The Company introduced HDM3002 (PRV-3279), a bispecific antibody under research of

Provention Bio (USA) for the treatment of systemic lupus erythematosus (SLE) and for preventing or reducing the immunogenicity of gene therapy. At present, pre-IND materials have been submitted in China and feedback has been received. The phase II multi-regional clinical trial of this product will be initiated in China. HDM3001 (QX001S) is a biosimilar of the original drug ustekinumab (Stelara®) jointly developed by the Company and its partially-owned company Qyuns Therapeutics and used to treat moderate-to-severe psoriasis of adults. Its phase III clinical trial is underway.

4. Rare diseases

Sirolimus Oral Solution produced by the Company has been used clinically to treat a rare pediatric disease tuberous sclerosis complex (TSC) for many years. In view of the urgent clinical needs of children with TSC for approved effective treatment, the Company has submitted a pre-IND application to CDE and plans to carry out a real-world study to support the expansion of the indications.

5. Medicine/medical device

HD-NP-102 (MB102, dynamic TGFR monitoring system): A product jointly developed by the Company and Medibeacon, Inc. of the United States for the evaluation of the renal function of healthy people and patients through real-time percutaneous monitoring of glomerular filtration rate. With its accurate diagnosis and risk assessment of early renal injury, the product is of ground-breaking clinical significance. The Company has submitted an application for innovative medical devices to the Center for Medical Device Evaluation of National Medical Products Administration, and the phase III multi-regional clinical trial will be launched by the end of 2021.

(III) Other important matters

In August 2021, the natural person shareholders of the Company's holding subsidiary Huadong Ningbo Medicine Co., Ltd. (hereinafter referred to as "Huadong Ningbo") filed a lawsuit to the People's Court of Beilun District of Ningbo for an order to dissolve Huadong Ningbo in advance on the grounds that there were serious difficulties in the operation and management of Huadong Ningbo and that the continuing operation of Huadong Ningbo would cause material losses to shareholders. The Company claimed that Huadong Ningbo should enter the legal liquidation after its operation expires on December 31, 2021, but did not agree to dissolve Huadong Ningbo in advance. The case was heard in People's Court of Beilun District of Ningbo on September 22, 2021, and has not been sentenced yet. Afterward, the Company held meetings with natural person shareholders and management representatives of Huadong Ningbo on relevant matters. The two parties have reached a consensus that Huadong Ningbo has entered the liquidation preparation period, will mainly carry out capital withdrawal before the end of 2021, and will not conduct new business. The parties agree to speed up the preparations for the liquidation of Huadong Ningbo. To

be responsible to all shareholders and safeguard the interests of all shareholders, the Company will properly carry out the subsequent liquidation of Huadong Ningbo according to law.

IV. Quarterly financial statements

(I) Financial Statements

1. Consolidated balance sheet

Prepared by Huadong Medicine Co., Ltd.

Unit: RMB yuan

Item	September 31, 2021	December 31, 2020
Current assets:		
Monetary funds	3,366,668,781.24	3,198,080,997.82
Settlement reserve		
Lending to other banks and other financial institutions		
Financial assets for trade		
Derivative financial assets		
Notes receivable		
Accounts receivable	8,147,812,875.63	6,137,675,568.82
Accounts receivable financing	572,080,968.64	828,659,217.25
Advance payments	291,583,511.06	250,916,482.07
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	299,688,469.54	87,269,489.82
Including: Interests receivable	15,972,701.53	
Dividends receivable	832,286.37	4,195,666.37
Financial assets purchased for resale		
Inventories	4,129,417,606.73	4,067,635,254.80
Contract assets		
Assets held for sale		
Non-current assets due within one		

year		
Other current assets	38,039,156.52	85,654,691.58
Total current assets	16,845,291,369.36	14,655,891,702.16
Non-current assets:		
Loans and prepayments issuance		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	950,889,474.55	850,072,053.02
Other equity instrument investments	129,841,291.42	225,453,120.05
Other non-current financial assets		
Real estate properties for investment	17,082,267.95	17,792,735.95
Fixed assets	3,106,575,021.33	2,420,366,582.92
Constructions in progress	1,864,058,365.39	2,240,201,926.65
Biological assets for production		
Oil & gas assets		
Right-of-use assets	161,568,723.35	
Intangible assets	1,707,792,705.74	1,463,242,463.99
Development expenditures		
Goodwill	2,100,106,651.09	1,469,617,262.10
Long-term unamortized expenses	10,511,051.56	8,811,339.43
Deferred income tax assets	151,508,607.37	137,829,774.40
Other non-current assets	642,486,393.70	712,069,194.08
Total non-current assets	10,842,420,553.45	9,545,456,452.59
Total assets	27,687,711,922.81	24,201,348,154.75
Current liabilities:		
Short-term borrowing	1,280,558,172.04	1,416,932,884.87
Borrowing from the Central bank		
Borrowing from other banks and other financial institutions		
Financial liabilities for trade		
Derivative financial liabilities		
Notes payable	1,381,336,643.84	554,336,058.71

Accounts payable	4,292,982,588.65	3,947,044,331.68
Advance receipts	1,906,357.52	951,926.56
Contract liabilities	186,487,690.02	94,384,629.77
Financial assets sold for repurchase		
Absorbing deposits and due from banks		
Receipts for buying and selling securities as proxy		
Receipts for underwriting securities as proxy		
Employee benefits payable	160,461,686.62	152,106,819.91
Taxes and fees payable	565,343,178.21	571,792,475.80
Other payables	2,084,232,842.01	1,817,529,820.99
Including: Interests payable		
Dividends payable	224,219.60	224,219.60
Handling fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	23,288,386.11	67,813,886.68
Other current liabilities	30,059,800.64	10,786,034.37
Total current liabilities	10,006,657,345.66	8,633,678,869.34
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowing	287,439,900.00	151,611,367.86
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	148,719,237.87	
Long-term payables	164,454,591.48	26,812,354.90
Long-term employee benefits payable		
Provision	37,410,969.95	39,467,829.23
Deferred gains	83,907,277.33	81,628,032.54

Deferred income tax liabilities	83,108,397.29	88,738,187.41
Other non-current liabilities		
Total non-current liabilities	805,040,373.92	388,257,771.94
Total liabilities	10,811,697,719.58	9,021,936,641.28
Ownership interest:		
Share capital	1,749,809,548.00	1,749,809,548.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	2,158,080,661.07	2,158,080,661.07
Less: Treasury shares		
Other comprehensive income	91,912,418.43	-2,191,069.45
Special reserve		
Surplus reserve	863,793,516.20	861,680,578.42
General risk reserve		
Undistributed profit	11,386,989,359.18	9,852,441,590.56
Total ownership interest attributable to the parent company	16,250,585,502.88	14,619,821,308.60
Minority interest	625,428,700.35	559,590,204.87
Total ownership interest	16,876,014,203.23	15,179,411,513.47
Total liabilities & ownership interest	27,687,711,922.81	24,201,348,154.75

Legal representative: Lv Liang

Officer in charge of accounting: Lv Liang

Head of accounting department : Qiu Renbo

2. Consolidated income statement from the beginning of the year to the end of the reporting period

Unit: RMB yuan

Item	Amount incurred during the current period	Amount incurred during the previous period
I. Total operating income	25,927,477,363.27	25,500,876,607.95
Including: Operating income	25,927,477,363.27	25,500,876,607.95
Interests received		
Premiums earned		
Handling fees and commissions received		

II. Total operating cost	23,721,020,429.04	22,945,770,445.69
Including: Operating cost	17,820,264,592.12	16,739,900,305.18
Interests paid		
Handling fees and commissions paid		
Surrender value		
Net payment of insurance claims		
Net appropriation of policy reserve		
Policy dividends paid		
Reinsurance expenses		
Taxes and surcharges	132,071,642.16	148,487,687.03
Selling expenses	4,165,255,628.17	4,575,928,264.87
Administrative expenses	859,932,896.49	775,033,097.55
R&D expenses	727,596,640.52	689,897,925.27
Financial expenses	15,899,029.58	16,523,165.79
Including: Interests paid	59,960,711.55	59,381,737.63
Interests received	64,850,873.74	52,891,384.64
Add: Other gains	157,965,604.53	123,759,645.82
Investment gains (Losses are indicated by “-”)	-60,001,493.40	-20,950,134.64
Including: Investment gains from associates and joint ventures	-18,970,341.98	-9,025,650.76
Gains from the derecognition of financial assets measured at amortized cost		
Gains on exchange (Losses are indicated by “-”)		
Gains on net exposure hedging (Losses are indicated by “-”)		
Gains on changes in fair value (Losses are indicated by “-”)		
Credit impairment loss (Losses are indicated by “-”)	-38,263,673.24	-29,841,283.63
Assets impairment loss (Losses are indicated by “-”)	3,054,806.20	

Gains on assets disposal (Losses are indicated by “-”)	-149,966.61	304,146,257.99
III. Operating profit (Losses are indicated by “-”)	2,269,062,211.71	2,932,220,647.80
Add: Non-operating income	17,439,095.86	16,504,085.99
Less: Non-operating expenditure	19,888,568.89	26,367,259.87
IV. Total profit (Total losses are indicated by “-”)	2,266,612,738.68	2,922,357,473.92
Less: Income tax expenses	324,435,752.43	462,041,510.71
V. Net profit (Net losses are indicated by “-”)	1,942,176,986.25	2,460,315,963.21
(I) Categorized by the continuity of operations		
1. Net profit from continued operations (Net deficit is indicated by “-”)	1,942,176,986.25	2,460,315,963.21
2. Net profit from discontinued operations (Net deficit is indicated by “-”)		
(II) Categorized by attribution of the ownership		
1. Net profit attributable to owners of the parent company	1,895,384,579.34	2,391,466,604.78
2. Gains/losses of minority shareholders	46,792,406.91	68,849,358.43
VI. Net amount after tax of other comprehensive income	115,596,732.48	21,024,507.92
Net amount after tax of other comprehensive income attributable to owners of the parent company	115,596,732.48	21,024,507.92
(I) Other comprehensive income that cannot be reclassified into gains/losses	18,270,393.86	5,817,290.26
1. Changes in remeasurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of	18,270,393.86	5,817,290.26

other equity instrument investments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses	97,326,338.62	15,207,217.66
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences arise from translation of foreign currency financial statements	97,326,338.62	15,207,217.66
7. Others		
Net amount after tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	2,057,773,718.73	2,481,340,471.13
Total comprehensive income attributable to owners of the parent company	2,010,981,311.82	2,412,491,112.70
Total comprehensive income attributable to minority shareholders	46,792,406.91	68,849,358.43
VIII. Earnings per share (EPS):		
(I) Basic EPS	1.0832	1.3667
(II) Diluted EPS	1.0832	1.3667

As for enterprise merger under the same control in the current period, the net profit generated by the merged party before the merger is 0 yuan, and that generated during the previous period is 0 yuan.

Legal representative: Lv Liang

Officer in charge of accounting: Lv Liang

Head of accounting department: Qiu Renbo

3. Consolidated cash flow statement from the beginning of the year to the end of the reporting period

Unit: RMB yuan

Item	Amount incurred during the current period	Amount incurred during the previous period
I. Cash flows from operating activities:		
Cash from the sale of goods and provision of services	27,674,577,148.04	26,358,487,943.05
Net increase in customer deposits and due from banks		
Net increase in borrowing from the central bank		
Net increase in borrowing from other financial institutions		
Cash from the premium of the original insurance policy		
Net cash from reinsurance		
Net increase in deposits and investment of the insured		
Cash from interests, handling fees and commissions		
Net increase in borrowing from other banks and other financial institutions		
Net increase in funds for repurchase		
Net cash received for buying and selling securities as proxy		
Tax refund received	11,649,988.97	17,066,804.84
Other cash receipts in relation to operating activities	529,610,507.12	862,918,296.18
Total cash inflows from operating activities	28,215,837,644.13	27,238,473,044.07
Cash payments for goods and services	18,596,693,102.88	17,276,216,270.79
Net increase in customer loans and prepayments		
Net increase in deposits of central bank and due from banks		

Cash for payment of original insurance claims		
Net increase in lending to other banks and other financial institutions		
Cash for payment of interests, handling fees and commissions		
Cash for payment of policy dividends		
Cash payments to and for employees	1,822,563,793.72	1,623,091,615.04
Payment of taxes and fees	1,531,826,498.86	1,795,768,635.77
Other cash payments in relation to operating activities	4,158,837,421.95	4,641,582,165.81
Total cash outflows for operating activities	26,109,920,817.41	25,336,658,687.41
Net cash flows from operating activities	2,105,916,826.72	1,901,814,356.66
II. Cash flows from investing activities		
Cash from recovery of investments	20,432,161.82	
Cash from investment gains	4,281,616.50	900,000.00
Net cash from disposal of fixed assets, intangible assets and other long-term assets	2,009,441.20	349,442,817.74
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	29,602,856.85	
Total cash inflows from investing activities	56,326,076.37	350,342,817.74
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	539,567,188.77	864,848,688.33
Cash payments for investment	120,706,000.00	70,535,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units	776,789,194.67	335,000,000.00
Other cash payments in relation to investing activities	26,127,840.40	
Total cash outflows for investing	1,463,190,223.84	1,270,383,688.33

activities		
Net cash flows from investing activities	-1,406,864,147.47	-920,040,870.59
III. Cash flows from financing activities:		
Cash from absorbing investments		
Including: Cash from absorption of minority shareholders' investments by subsidiaries		
Cash from borrowing	1,854,078,657.43	2,044,165,545.94
Other cash receipts in relation to financing activities	360,000,000.00	340,000,000.00
Total cash inflows from financing activities	2,214,078,657.43	2,384,165,545.94
Cash for repayment of debt	1,874,703,029.58	2,161,566,863.78
Cash payments for dividends, profits or interests	499,317,003.89	612,515,321.94
Including: Payment of dividends and profits by subsidiaries to minority shareholders		49,000,000.00
Other cash payments in relation to financing activities	365,675,774.15	357,318,045.74
Total cash outflows for financing activities	2,739,695,807.62	3,131,400,231.46
Net cash flows from financing activities	-525,617,150.19	-747,234,685.52
IV. Influence of exchange rate fluctuations on cash and cash equivalents	-1,383,998.81	4,496,816.65
V. Net increase in cash and cash equivalents	172,051,530.25	239,035,617.20
Add: Balance of cash and cash equivalents at the beginning of the period	3,157,407,073.26	2,231,771,546.50
VI. Balance of cash and cash equivalents at the end of the period	3,329,458,603.51	2,470,807,163.70

(II) Notes on adjustments of financial statements

1、Adjustments to financial statement items at the beginning of the year of the first implementation of the new accounting standards governing leases which have been implemented since 2021

√ Applicable N/A

Whether any balance sheet items at the beginning of the year requires adjustment

√ Yes No

Consolidated balance sheet

Unit: RMB yuan

Item	December 31, 2020	January 1, 2021	Adjustment
Current assets:			
Cash and bank balances	3,198,080,997.82	3,198,080,997.82	
Settlement reserve			
Lending to other banks and other financial institutions			
Financial assets for trade			
Derivative financial assets			
Notes receivable			
Accounts receivable	6,137,675,568.82	6,137,675,568.82	
Accounts receivable for financing	828,659,217.25	828,659,217.25	
Prepayments	250,916,482.07	238,357,844.74	-12,558,637.33
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserve receivable			
Other receivables	87,269,489.82	87,269,489.82	
Including: Interests receivable			
Dividends receivable	4,195,666.37	4,195,666.37	
Financial assets purchased for resale			
Inventories	4,067,635,254.80	4,067,635,254.80	
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	85,654,691.58	85,654,691.58	

Total current assets	14,655,891,702.16	14,643,333,064.83	-12,558,637.33
Non-current assets:			
Loans and prepayments issuance			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	850,072,053.02	850,072,053.02	
Other equity instrument investments	225,453,120.05	225,453,120.05	
Other non-current financial assets			
Real estate properties for investment	17,792,735.95	17,792,735.95	
Fixed assets	2,420,366,582.92	2,420,366,582.92	
Constructions in progress	2,240,201,926.65	2,240,201,926.65	
Biological assets for production			
Oil & gas assets			
Right-of-use assets		140,149,561.51	140,149,561.51
Intangible assets	1,463,242,463.99	1,463,242,463.99	
Development expenditures		1,469,617,262.10	
Goodwill	1,469,617,262.10		
Long-term unamortized expenses	8,811,339.43	8,811,339.43	
Deferred tax assets	137,829,774.40	137,829,774.40	
Other non-current assets	712,069,194.08	712,069,194.08	
Total non-current assets	9,545,456,452.59	9,685,606,014.10	140,149,561.51
Total assets	24,201,348,154.75	24,328,939,078.93	127,590,924.18
Current liabilities:			
Short-term borrowing	1,416,932,884.87	1,416,932,884.87	
Borrowing from the central bank			
Borrowing from other banks and other financial institutions			
Financial liabilities for trade			
Derivative financial liabilities			
Notes payable	554,336,058.71	554,336,058.71	
Accounts payable	3,947,044,331.68	3,947,044,331.68	
Receipts in Advance	951,926.56	951,926.56	
Contract liabilities	94,384,629.77	94,384,629.77	

Financial assets sold for repurchase			
Absorbing deposits and due from banks			
Receipts for buying and selling securities as proxy			
Receipts for underwriting securities as proxy			
Payroll payable	152,106,819.91	152,106,819.91	
Taxes payable	571,792,475.80	571,792,475.80	
Other payables	1,817,529,820.99	1,817,529,820.99	
Including: Interests payable			
Dividends payable	224,219.60	224,219.60	
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	67,813,886.68	67,813,886.68	
Other current liabilities	10,786,034.37	10,786,034.37	
Total current liabilities	8,633,678,869.34	8,633,678,869.34	
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowing	151,611,367.86	151,611,367.86	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		127,590,924.18	127,590,924.18
Long-term payables	26,812,354.90	26,812,354.90	
Long-term employee benefits payable			
Estimated liabilities	39,467,829.23	39,467,829.23	
Deferred income	81,628,032.54	81,628,032.54	
Deferred tax liabilities	88,738,187.41	88,738,187.41	
Other non-current liabilities			
Total non-current liabilities	388,257,771.94	515,848,696.12	127,590,924.18
Total liabilities	9,021,936,641.28	9,149,527,565.46	127,590,924.18
Owners' Equity:			
Share capital	1,749,809,548.00	1,749,809,548.00	
Other equity instruments			

Including: Preferred shares			
Perpetual bonds			
Capital reserves	2,158,080,661.07	2,158,080,661.07	
Less: Treasury shares			
Other comprehensive income	-2,191,069.45	-2,191,069.45	
Special reserve			
Surplus reserves	861,680,578.42	861,680,578.42	
General risk reserve			
Retained earnings	9,852,441,590.56	9,852,441,590.56	
Total owners' equity attributable to owner of the Company	14,619,821,308.60	14,619,821,308.60	
Minority interest	559,590,204.87	14,619,821,308.60	
Total owners' equity	15,179,411,513.47	15,179,411,513.47	
Total liabilities & owners' equity	24,201,348,154.75	24,328,939,078.93	127,590,924.18

Adjustment description

2、Retrospective adjustments to comparative data of the previous period due to the first implementation of the new accounting standards leases since 2021

Applicable N/A

(III) Audit report

Has the third quarterly report been audited?

Yes No

The third quarterly report has not been audited.

The Board of Directors of Huadong Medicine Co., Ltd.

October 27, 2021