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## **JOINN LABORATORIES (CHINA) CO., LTD.**

### **北京昭衍新藥研究中心股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6127)**

## **2021 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The following is the first quarterly report of JOINN Laboratories (China) Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for financial year 2021 (the “**2021 First Quarterly Report**”). This announcement and the accompanying financial statements are originally prepared in Chinese and published in both English and Chinese. If there is any inconsistency or conflict between the Chinese and English versions, the Chinese version shall prevail.

Shareholders of the Company and public investors should note that the financial report therein is prepared in accordance with the PRC Accounting Standards for Business Enterprises and has not been audited.

By order of the Board  
**JOINN Laboratories (China) Co., Ltd.**  
**Feng Yuxia**  
*Chairperson*

Hong Kong, Thursday, April 29, 2021

*As at the date of this announcement, the Board comprises Ms. FENG Yuxia as the Chairperson and executive Director, Mr. ZUO Conglin, Mr. GAO Dapeng, Ms. SUN Yunxia, Dr. YAO Dalin as executive Directors, Mr. GU Xiaolei as a non-executive Director, and Mr. SUN Mingcheng, Dr. ZHAI Yonggong, Mr. OU Xiaojie and Mr. ZHANG Fan as independent non-executive Directors.*

## I. Important Notice

- 1.1 The Board of Directors (the “Board”), the Supervisory Committee and the Directors, Supervisors and Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents of the Quarterly Report and that there are no false information, misleading statements or material omissions in the quarterly report, and shall assume several and joint legal responsibilities.
- 1.2 All Directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 Feng Yuxia, the legal representative of the Company, Yu Aishui, the chief financial officer and Yu Aishui, the director of the accounting department warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The First Quarterly Report of the Company has not been audited.

## II. Company Profile

### 2.1 Major financial data

Unit: RMB    Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Increase/ decrease (%)
Total assets	7,633,988,121.93	2,107,821,636.06	262.17
Net assets attributable to shareholders of the Company	6,597,313,422.62	1,224,899,092.29	438.60
	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the last reporting period	Increase/ decrease (%)
Net cash flow from operating activities	34,482,082.76	34,315,183.44	0.49

	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of the previous year to the end of the last reporting period</b>	<b>Increase/ decrease (%)</b>
Revenue	200,992,535.41	154,713,623.00	29.91
Net profit attributable to shareholders of the Company	93,357,265.26	19,127,779.80	388.07
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss items	79,434,821.17	14,761,153.59	438.13
Weighted average return on equity (%)	3.08	2.28	Increased by 0.80 percentage point
Basic earnings per share (RMB per share)	0.39	0.09	333.33
Diluted earnings per share (RMB per share)	0.38	0.09	322.22

*Note:* The Company completed its listing of H shares on February 26, 2021 and raised proceeds of HK\$6.373 billion (including the exercise of over-allotment options). The effect on the net profit of the exchange gain incurred during the current period was RMB57,887,235.16. Excluding such effect, the growth rate of the net profit attributable to the shareholders of the listed company was 85.44% and the growth rate of the net profit attributable to the shareholders of the listed company (excluding non-recurring gains or losses) was 45.97%.

Non-recurring gain on loss items and amounts

✓ Applicable    ☐ Not applicable

Unit: RMB    Currency: RMB

Item	Amount for the Reporting Period	Description
Gain or loss on disposal of non-current assets	-4,468.47	
Tax refunds or relief subject to ultra vires or without official approval		
Government grants included in profit or loss of the current period (except for those closely related to the Company's normal operation and which were granted on a recurring basis subject to certain amount or volume upon fulfilment of specific standards in compliance with the government policies and regulations)	17,220,308.10	
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period		
Gain from the difference between the cost of investment on the subsidiaries, associates and joint ventures and the shared fair value of identifiable net assets of the investee		
Profit or loss from exchange of non-monetary assets		
Gain or loss from entrusted investments or assets management		
Provision for impairment of assets due to force majeure such as natural disasters		
Profit or loss from debt restructuring		
Corporate restructuring costs, such as employee placement expenses and integration costs		
Profit or loss representing the difference between the unfair transaction consideration and the fair value of the transaction		

<b>Item</b>	<b>Amount for the Reporting Period</b>	<b>Description</b>
Net profit or loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the current period to the date of merger		
Profit or loss from contingencies not related to the ordinary operations of the Company		
Investment incomes from holding financial assets available-for-trading, derivative financial assets, changes in the fair value from trading financial liabilities and derivative financial liabilities, disposals of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and investment in other equity instruments, except for effective hedging business related to normal operating of the Company	1,427,975.33	
Reversal of the provisions for impairment of receivables and contract assets subject to impairment test separately		
Profit or loss from external entrusted loans		
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
One-off adjustment to profit or loss for the current period in accordance with laws and regulations on taxation and accounting		
Fees income from custodian business		
Other non-operating incomes and expenses other than the above items	-3,763,024.97	
Other profit or loss items falling within the meaning of non-recurring profit or loss		
Impact of non-controlling interests (after tax)		
Effect of income tax	-958,345.90	
Total	13,922,444.09	

**2.2 Total number of Shareholders and shareholding of top 10 Shareholders and top 10 holders of tradable shares (or Shareholders holding Shares not subject to trading restrictions) as at the end of the Reporting Period**

Unit: share

Total number of Shareholders						21,198
	Shareholding of top 10 Shareholders					
Full name of shareholder	Number of Shares held as at the end of the Reporting Period	Percentage (%)	Number of Shares subject to trading restrictions	Pledged or frozen Shares		Nature of Shareholder
				Status	Number	
Feng Yuxia	64,073,468	23.66%	0	Nil	0	Domestic natural person
HKSCC NOMINEES LIMITED	43,359,499	16.01%	0	Nil	0	Overseas legal entity
Zhou Zhiwen	34,568,986	12.76%	0	Nil	0	Domestic natural person
Gu Xiaolei	16,078,455	5.94%	0	Pledged	5,600,000	Domestic natural person
Hong Kong Securities Clearing Company Limited	12,802,584	4.73%	0	Nil	0	Overseas legal entity
Gu Meifang	11,008,078	4.06%	0	Pledged	8,720,000	Domestic natural person
Zuo Conglin	9,900,032	3.66%	31,976	Pledged	2,305,000	Domestic natural person
National Social Security Fund (Combination 406)	5,768,878	2.13%	0	Nil	0	Others
Industrial and Commercial Bank of China Limited – China-Europe Medical and Health Hybrid Securities Investment Fund	2,643,360	0.98%	0	Nil	0	Others
China Construction Bank Corporation Fund (中國建設銀行股份有限公司－工銀瑞信前沿醫療股票型證券投資基金)	2,300,000	0.85%	0	Nil	0	Others

Shareholdings of top 10 holders of Shares not subject to trading restrictions			
Name of shareholder	Number of Shares not subject to trading restrictions	Class and number of shares	
		Class	Number
Feng Yuxia	64,073,468	RMB-denominated ordinary shares	64,073,468
HKSCC NOMINEES LIMITED	43,359,499	Overseas-listed foreign shares	43,359,499
Zhou Zhiwen	34,568,986	RMB-denominated ordinary shares	34,568,986
Gu Xiaolei	16,078,455	RMB-denominated ordinary shares	16,078,455
Hong Kong Securities Clearing Company Limited	12,802,584	RMB-denominated ordinary shares	12,802,584
Gu Meifang	11,008,078	RMB-denominated ordinary shares	11,008,078
Zuo Conglin	9,868,056	RMB-denominated ordinary shares	9,868,056
National Social Security Fund (Combination 406)	5,768,878	RMB-denominated ordinary shares	5,768,878
Industrial and Commercial Bank of China Limited – China-Europe Medical and Health Hybrid Securities Investment Fund	2,643,360	RMB-denominated ordinary shares	2,643,360
China Construction Bank Corporation Fund (中國建設銀行股份有限公司－工銀瑞信前沿醫療股票型證券投資基金)	2,300,000	RMB-denominated ordinary shares	2,300,000
Description of connected relationships or concerted actions of the above Shareholders	1. Feng Yuxia and Zhou Zhiwen are in a spousal relationship; 2. Gu Meifang and Gu Xiaolei are aunt and nephew. Except from this, the Company is not aware of any related party relationship among the shareholders mentioned above, and not aware of whether they are parties acting in concert.		
Description of preference shareholders with voting rights restored and their shareholdings	Nil		

*Note:* HKSCC NOMINEES LIMITED holds shares on behalf of multiple customers.

**2.3 Total number of preference Shareholders and shareholdings of top 10 preference Shareholders and top 10 preference Shareholders not subject to trading restrictions as at the end of the Reporting Period**

☐ Applicable    ☒ Not applicable

**III. Significant events**

**3.1 Significant changes in major financial statement items and financial indicators of the Company and the reasons thereof**

☒ Applicable    ☐ Not applicable

*3.1.1 Reasons of significant changes in the items in the consolidated balance sheet during the Reporting Period*

Item	March 31, 2021	December 31, 2020	Change	Reasons
Cash at bank and on hand	5,657,723,895.31	308,689,959.55	1,732.82%	Mainly due to the receipt of raised proceeds
Bills receivable	3,020,000.00	2,175,000.00	38.85%	Mainly due to the increase in bills received
Other receivables	4,764,113.07	8,765,341.77	-45.65%	Mainly due to the transfer of deposits of land use rights to payments
Right-of-use assets	65,945,902.14		Not applicable	Mainly due to the adoption of new leasing standard during the current period
Deferred tax assets	52,961,740.27	35,261,614.74	50.20%	Mainly due to the increase in deductible temporary differences in relation to share-based payments due to the increase in share price
Other non-current assets	58,011,580.39	36,232,987.14	60.11%	Mainly due to the prepayment of land use right payments
Account payables	80,814,491.38	60,285,553.10	34.05%	Mainly due to the increase in purchase during the current period



<b>Item</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>Change</b>	<b>Reasons</b>
Receipts in advance		1,570,000.00	–100.00%	Mainly due to the transfer of advance receipts from customers to projects during the current period
Tax payables	10,849,554.31	25,600,650.35	–57.62%	Mainly due to the payment of 2020 Enterprise Income Tax during the current period
Non-current liabilities due within one year	17,772,483.59	3,080,988.42	476.84%	Mainly due to the adoption of new leasing standard during the current period
Long-term borrowings	9,690,467.43	21,375,166.75	–54.66%	Mainly due to the waiver of PPP loan of Biomere, our subsidiary
Lease liabilities	49,815,365.10		Not applicable	Mainly due to the adoption of new leasing standard during the current period
Capital reserves	5,518,563,086.27	249,804,268.45	2,109.15%	Mainly due to the listing on the Hong Kong Stock Exchange during the current period
Other comprehensive income	–1,490,556.44	29,063,134.69	–105.13%	Mainly due to the increase in investment costs of other equity instruments
Non-controlling interests	–992,185.95	–734,936.01	Not applicable	Mainly due to the loss of holding subsidiaries

*3.1.2 Reasons of significant changes in the items in the statement of profit or loss during the Reporting Period*

<b>Item</b>	<b>January to March, 2021</b>	<b>January to March, 2020</b>	<b>Change</b>	<b>Reason</b>
Revenue	200,992,535.41	154,713,623.00	29.91%	Mainly due to the increase in business volume during the current period
Costs	97,328,314.02	78,798,635.04	23.52%	Mainly due to the increase in business volume during the current period
Taxes and surcharges	1,605,433.14	1,116,338.97	43.81%	Mainly due to the increase in business volume during the current period
Administration expenses	67,109,647.64	46,013,786.64	45.85%	Mainly due to the increase in labor costs and office expense
Finance expenses	−67,795,020.99	−456,002.54	Not applicable	Mainly due to the exchange gain arising from the raised proceeds received during the current period
Other income	17,483,886.23	4,572,839.64	282.34%	Mainly due to the waiver of PPP loan obtained by Biomere, our subsidiary
Gains from changes in fair value	902,485.17	−461,656.92	Not applicable	Mainly due to the fair value change in biological assets
Credit impairment losses	−924,776.37	2,284,159.12	−140.49%	Mainly due to the provision for credit impairment losses during the current period
Impairment losses	−1,112,952.02	162,923.96	−783.11%	Mainly due to the increase in provision for decline in prices of inventories during the current period

<b>Item</b>	<b>January to March, 2021</b>	<b>January to March, 2020</b>	<b>Change</b>	<b>Reason</b>
Non-operating income	6,705.00	240.00	2,693.75%	Mainly due to the increase in scrap sales during the current period
Non-operating expense	3,774,197.84	436,406.69	764.84%	Mainly due to the increase in donation expense during the current period
Profit before income tax	104,035,964.94	21,934,613.06	374.30%	Mainly due to the increase in business volume during the current period
Income tax expense	10,935,949.62	3,146,089.08	247.60%	Mainly due to the increase in business volume during the current period
Net cash flow generated from investing activities	-66,686,497.84	-29,737,009.85	Not applicable	Mainly due to the net increase in investments of wealth management products and the increase in purchase of long-term assets
Net cash generated from financing activities	5,312,443,354.88	1,602,158.28	331,480.43%	Mainly due to the receipt of raised proceeds during the current period

*3.2 Analysis and explanations of the progress, impact and solution of significant events*

☐ Applicable    ☒ Not applicable

*3.3 Undertakings not performed during the Reporting Period*

☐ Applicable    ☒ Not applicable

3.4 *Caution and explanation as to the anticipated loss of accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes over the same period of last year*

☐ Applicable    ☒ Not applicable

Company name	Joinn Laboratories (China) Co., Ltd.
Legal Representative	Feng Yuxia
Date	April 29, 2021

#### IV. Appendix

##### 4.1 Financial statement

##### Consolidated Balance Sheet

As at March 31, 2021

Prepared by: Joinn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Type of audit: Unaudited

Item	As at March 31, 2021	As at December 31, 2020
<b>Current assets:</b>		
Cash at bank and on hand	5,657,723,895.31	308,689,959.55
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held for trading	223,543,843.83	238,902,999.99
Derivative financial assets		
Bills receivables	3,020,000.00	2,175,000.00
Account receivables	75,154,346.01	88,866,136.10
Receivables financing		
Prepayments	42,581,612.38	49,509,582.85
Premium receivables		
Reinsurance account receivables		
Deposit receivables from reinsurance contracts		
Other receivables	4,764,113.07	8,765,341.77
Including: Interest receivables		
Dividend receivables		
Financial assets purchased under agreements to resell		
Inventories	519,993,150.90	406,214,711.26

<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Contract assets	61,693,088.71	66,812,242.99
Assets held-for-sale		
Non-current assets due within one year		
Other current assets	15,654,839.78	12,974,960.25
Total current assets	6,604,128,889.99	1,182,910,934.76
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	64,444,809.52	64,444,809.52
Other non-current financial assets		
Investment properties		
Fixed assets	447,616,196.82	445,555,655.12
Construction in progress	52,393,262.38	48,633,480.15
Biological assets for breeding	18,130,166.72	19,433,780.68
Oil and gas assets		
Right-of-use assets	65,945,902.14	
Intangible assets	121,090,988.86	123,631,240.12
Development expenses		
Goodwill	126,186,809.43	125,295,803.39
Long-term deferred expenditures	23,077,775.41	26,421,330.44
Deferred tax assets	52,961,740.27	35,261,614.74
Other non-current assets	58,011,580.39	36,232,987.14
Total non-current assets	1,029,859,231.94	924,910,701.30
Total assets	7,633,988,121.93	2,107,821,636.06
<b>Current liabilities:</b>		
Short-term borrowings		
Borrowings from central bank		
Placement from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payables		

<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Account payables	80,814,491.38	60,285,553.10
Receipts in advance		1,570,000.00
Contract liabilities	689,009,387.93	583,537,351.54
Financial assets sold under agreements to repurchase		
Deposits from customers and banks		
Customer deposits for securities trading		
Customer deposits for securities underwriting		
Employee benefit payables	42,398,423.15	49,700,312.39
Tax payables	10,849,554.31	25,600,650.35
Other payables	30,489,542.06	32,997,002.18
Including: Interest payables		
Dividend payables		
Handling charges and commission payable		
Reinsurance account payables		
Liabilities held-for-sale		
Non-current liabilities due within one year	17,772,483.59	3,080,988.42
Other current liabilities	3,786,397.71	3,270,304.53
Total current liabilities	875,120,280.13	760,042,162.51
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	9,690,467.43	21,375,166.75
Debenture payables		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	49,815,365.10	
Long-term payables		
Long-term payroll payables		
Projected liabilities		
Deferred income	64,318,990.21	67,040,785.16
Deferred tax liabilities	38,721,782.39	35,199,365.36
Other non-current liabilities		
Total non-current liabilities	162,546,605.13	123,615,317.27

<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Total liabilities	1,037,666,885.26	883,657,479.78
<b>Owners' equity (or shareholders' equity):</b>		
Paid up capital (or share capital)	270,820,329.00	227,454,729.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	5,518,563,086.27	249,804,268.45
Less: Treasury shares	9,915,527.00	9,915,527.00
Other comprehensive income	-1,490,556.44	29,063,134.69
Special reserve		
Surplus reserve	59,290,828.07	59,290,828.07
General risks reserve		
Retained earnings	760,045,262.72	669,201,659.08
Total owners' equity (or shareholders' equity) attributable to the parent company	6,597,313,422.62	1,224,899,092.29
Non-controlling interests	-992,185.95	-734,936.01
Total owners' equity (or shareholders' equity)	6,596,321,236.67	1,224,164,156.28
Total liabilities and owners' equity (or shareholders' equity)	7,633,988,121.93	2,107,821,636.06

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

**Balance Sheet of the Parent Company**  
As at March 31, 2021

Prepared by: Joynn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Audit status: Unaudited

<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Current assets:</b>		
Cash at bank and on hand	5,415,296,923.30	49,939,882.78
Financial assets held for trading	162,644,747.94	208,003,904.10
Derivative financial assets		
Bills receivables		
Account receivables	21,978,844.75	7,980,312.02
Receivables financing		
Prepayments	30,538,027.44	27,191,935.98
Other receivables	71,453,390.92	55,977,804.58
Including: Interest receivables		
Dividend receivables		
Inventories	113,374,807.42	103,417,687.78
Contract assets	30,866,884.31	34,223,306.49
Assets held-for-sale		
Non-current assets due within one year		
Other current assets	4,257,324.19	3,927,708.06
Total current assets	5,850,410,950.27	490,662,541.79
<b>Non-current assets:</b>		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	576,140,484.02	549,277,848.74
Investments in other equity instruments	64,444,809.52	64,444,809.52
Other non-current financial assets		
Investment properties		
Fixed assets	110,110,052.13	120,373,701.14
Construction in progress	1,973,617.77	2,137,481.93
Biological assets for breeding		
Oil and gas assets		
Right-of-use assets	2,479,367.08	



<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Intangible assets	16,636,350.58	17,856,922.01
Development expenses		
Goodwill		
Long-term deferred expenditures	3,665,173.50	3,672,458.65
Deferred tax assets	18,865,461.06	10,414,065.73
Other non-current assets	3,348,458.76	3,923,902.76
Total non-current assets	797,663,774.42	772,101,190.48
Total assets	6,648,074,724.69	1,262,763,732.27
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payables		
Account payables	26,458,752.80	30,898,749.24
Receipts in advance		
Contract liabilities	224,890,816.77	194,127,498.08
Employee benefit payables	15,500,952.88	16,783,931.66
Tax payables	2,420,850.42	1,201,325.41
Other payables	37,938,199.24	16,168,322.16
Including: Interests payable		
Dividends payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	1,391,926.98	
Other current liabilities	1,789,923.72	1,452,133.47
Total current liabilities	310,391,422.81	260,631,960.02
<b>Non-current liabilities:</b>		
Long-term borrowings		
Debenture payables		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	1,452,894.68	
Long-term payables		
Long-term payroll payables		
Projected liabilities		
Deferred income	13,771,318.06	14,107,308.34

<b>Item</b>	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Deferred tax liabilities	17,974,359.95	13,885,085.02
Other non-current liabilities		
Total non-current liabilities	33,198,572.69	27,992,393.36
Total liabilities	343,589,995.50	288,624,353.38
<b>Owners' equity (or shareholders' equity):</b>		
Paid up capital (or share capital)	270,820,329.00	227,454,729.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	5,504,187,642.69	240,609,043.62
Less: Treasury shares	9,915,527.00	9,915,527.00
Other comprehensive income	12,278,088.09	44,578,088.09
Special reserve		
Surplus reserve	59,290,828.07	59,290,828.07
Retained earnings	467,823,368.34	412,122,217.11
Total owners' equity (or shareholders' equity)	6,304,484,729.19	974,139,378.89
Total liabilities and owners' equity (or shareholders' equity)	6,648,074,724.69	1,262,763,732.27

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

**Consolidated Income Statement**  
January to March 2021

Prepared by: Joinn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Audit status: Unaudited

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>I. Total revenue</b>	200,992,535.41	154,713,623.00
Including: Revenue	200,992,535.41	154,713,623.00
Interest income		
Premiums earned		
Handling charges and commission income		
<b>II. Total cost</b>	111,324,851.53	140,348,068.02
Including: Cost	97,328,314.02	78,798,635.04
Interest expenses		
Handling charges and commission expenses		
Payments on surrender		
Net claim expenses		
Net provision for insurance contract reserves		
Policyholder dividend expenses		
Reinsurance costs		
Taxes and surcharges	1,605,433.14	1,116,338.97
Selling and marketing expenses	3,197,669.49	3,114,756.43
Administration expenses	67,109,647.64	46,013,786.64
Research and development expenses	9,878,808.23	11,760,553.48
Finance expenses	-67,795,020.99	-456,002.54
Including: Interest expense	791,416.57	334,689.14
Interest income	432,029.22	420,814.61

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Add: Other income	17,483,886.23	4,572,839.64
Investment gains ("–" indicating loss)	1,787,131.49	1,449,051.36
Including: Gains from investment in associates and joint ventures		
Derecognition of income from financial assets measured at amortised cost		
Exchange gains ("–" indicating loss)		
Gains from net exposure to hedging ("–" indicating loss)		
Gains from changes in fair value ("–" indicating loss)	902,485.17	–461,656.92
Credit impairment losses ("–" indicating loss)	–924,776.37	2,284,159.12
Assets impairment losses ("–" indicating loss)	–1,112,952.02	162,923.96
Gains from disposal of assets ("–" indicating loss)	–0.60	–2,092.39
<b>III. Operating profit ("–" indicating loss)</b>	<b>107,803,457.78</b>	<b>22,370,779.75</b>
Add: Non-operating income	6,705.00	240.00
Less: Non-operating expenses	3,774,197.84	436,406.69

Item	First quarter of 2021	First quarter of 2020
<b>IV. Profits before income tax (“–” indicating total losses)</b>	104,035,964.94	21,934,613.06
Less: Income tax expenses	10,935,949.62	3,146,089.08
<b>V. Net profits (“–” indicating net loss)</b>	93,100,015.32	18,788,523.98
(I) Classified by the continuity of operation		
1. Net profit from continuing operations (“–” indicating net loss)	93,100,015.32	18,788,523.98
2. Net profit from discontinued operations (“–” indicating net loss)		
(II) Classified by the ownership		
1. Net profit attributable to equity shareholders of the company (“–” indicating net loss)	93,357,265.26	19,127,779.80
2. Profit and loss of non-controlling interests (“–” indicating net loss)	–257,249.94	–339,255.82
<b>VI. Other comprehensive income, net of tax</b>	–30,711,088.88	3,841,583.45
(I) Other comprehensive income attributable to owners of the parent company, net of tax	–30,711,088.88	3,841,583.45
1. Other comprehensive income that will not be reclassified to profit or loss	–32,300,000.00	
(1) Changes in re-measurement of defined benefit plans		
(2) Other comprehensive income that will not be transferred to profit or loss accounted for using equity method		
(3) Changes in fair value of investments in other equity instruments	–32,300,000.00	
(4) Changes in fair value of the company’s own credit risk		

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
2. Other comprehensive income that will be reclassified to profit or loss	1,588,911.12	3,841,583.45
(1) Other comprehensive income that will be transferred to profit or loss accounted for using equity method		
(2) Changes in fair value of other debt investments		
(3) Financial assets reclassified to other comprehensive income		
(4) Credit impairment allowance of other debt investments		
(5) Cash flow hedging reserve		
(6) Exchange difference on translation of foreign financial statements	1,588,911.12	3,841,583.45
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax		
<b>VII. Total comprehensive income</b>	62,388,926.44	22,630,107.43
(1) Total comprehensive income attributable to equity shareholders of the parent company	62,646,176.38	22,969,363.25
(2) Total comprehensive income attributable to non-controlling interests	-257,249.94	-339,255.82
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB per share)	0.39	0.09
(II) Diluted earnings per share (RMB per share)	0.38	0.09

For the business combination involving enterprises under common control during the Reporting Period, realised net profit of the merged parties before the merger was RMB0 (corresponding period of the previous year: RMB0).

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

**Income Statement of the Parent Company**  
January to March 2021

Prepared by: Joynn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Type of audit: Unaudited

<b>Item</b>	<b>First Quarter of 2021</b>	<b>First Quarter of 2020</b>
I. Revenue	50,746,980.14	39,507,445.16
Less: Cost	29,339,699.35	21,102,445.67
Taxes and surcharges	567,528.04	423,070.27
Selling and marketing expenses	1,790,700.15	1,414,210.51
Administration expenses	20,137,217.46	12,897,768.77
Research and development expenses	3,091,008.59	5,883,412.68
Finance expenses	-67,971,575.70	-45,241.27
Including: Interest expense	35,500.98	80,365.17
Interest income	136,088.15	123,547.90
Add: Other income	1,255,969.02	3,485,712.94
Investment income ("—" indicating losses)	-8,212,868.51	1,417,202.05
Including: Gains from investments in associates and joint ventures		
Derecognition of income from financial assets measured at amortised cost		
Gains from net exposure to hedging ("—" indicating losses)		
Gains from changes in fair value ("—" indicating losses)	-359,156.16	-484,261.75
Credit impairment losses ("—" indicating losses)	-37,874.82	-365,606.53
Assets impairment losses ("—" indicating losses)	9,777,104.64	-606,003.45
Gains from disposal of assets ("—" indicating losses)	-0.60	

<b>Item</b>	<b>First Quarter of 2021</b>	<b>First Quarter of 2020</b>
II. Operating profit (“–” indicating losses)	66,215,575.82	1,278,821.79
Add: Non-operating income	1,905.00	240.00
Less: Non-operating expenses	1,246,320.75	1,970.77
III. Profit before income tax (“–” indicating total loss)	64,971,160.07	1,277,091.02
Less: Income tax expenses	8,910,336.98	342,635.93
IV. Net profits (“–” indicating net loss)	56,060,823.09	934,455.09
(I) Net profit from continuing operations (“–” indicating net loss)	56,060,823.09	934,455.09
(II) Net profit from discontinued operations (“–” indicating net loss)		
V. Other comprehensive income (net of tax)	–32,300,000.00	
(I) Other comprehensive income that will not be reclassified to profit or loss	–32,300,000.00	
1. Changes in re-measurement of defined benefit plans		
2. Other comprehensive income that will not be transferred to profit or loss accounted for using equity method		
3. Changes in fair value of investments in other equity instruments	–32,300,000.00	
4. Changes in fair value of the company’s own credit risk		



<b>Item</b>	<b>First Quarter of 2021</b>	<b>First Quarter of 2020</b>
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be transferred to profit or loss accounted for using equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Credit impairment allowance of other debt investments		
5. Cash flow hedging reserve		
6. Exchange difference on translation of foreign financial statements		
7. Others		
VI. Total comprehensive income	23,760,823.09	934,455.09
VII. Earnings per share:		
(I) Basic earnings per share (RMB per share)		
(II) Diluted earnings per share (RMB per share)		

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

**Consolidated Cash Flow Statement**  
January to March 2021

Prepared by: Joinn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Type of audit: Unaudited

Item	First quarter of 2021	First quarter of 2020
<b>I. Cash flows from operating activities:</b>		
Cash received from the sale of goods and rendering of services	334,525,902.11	232,670,305.50
Net increase in deposits from customers and placements from bank and other financial institutions		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' deposits and investments		
Cash received from interest, handling charges and commission		
Net increase in loans from banks and other financial institutions		
Net increase in capital for repurchase		
Net cash received from securities trading agency services		
Refund of taxes and surcharges		
Cash received from other operating activities	3,462,521.84	2,732,314.55
Sub-total of cash inflow from operating activities	337,988,423.95	235,402,620.05
Cash paid for goods purchased and service rendered	145,523,146.29	75,601,523.86
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Cash paid for claims on original insurance contracts		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling charges and commission		
Cash paid for policyholders' dividend		
Cash paid to and on behalf employees	99,499,941.50	87,788,130.10
Taxes paid	27,767,984.36	17,360,247.52
Cash paid for other operating activities	30,715,269.04	20,337,535.13
Subtotal of cash outflow from operating activities	303,506,341.19	201,087,436.61
Net cash flow from operating activities	34,482,082.76	34,315,183.44
<b>II. Cash flow from investing activities:</b>		
Cash received from disposal of investments	95,000,000.00	200,633,640.41
Cash received from returns on investment	1,787,131.49	442,671.22
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,180.00	1,000.00
Net cash received from disposal of subsidiaries and other business entities		
Cash received from other investing activities		
Subtotal of cash inflow from investing activities	96,800,311.49	201,077,311.63
Cash paid to acquire fixed assets, intangible assets and other long-term assets	45,486,809.33	27,319,871.48
Cash paid to acquire investments	118,000,000.00	203,494,450.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities		
Cash paid for other investing activities		

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Subtotal of cash outflow from investing activities	163,486,809.33	230,814,321.48
Net cash flow from investing activities	-66,686,497.84	-29,737,009.85
<b>III.Cash flow from financing activities:</b>		
Cash received from capital contributions	5,318,194,000.94	
Including: Cash received from capital contribution by minority shareholders of subsidiaries		
Cash received from borrowings		24,073,120.00
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	5,318,194,000.94	24,073,120.00
Cash repayments of borrowings	759,417.16	22,136,272.58
Cash payments for distribution of dividends, profits or interest expenses	116,527.70	334,689.14
Including: Dividends and profits paid by subsidiaries to non-controlling interests		
Cash payments relating to other financing activities	4,874,701.20	
Sub-total of cash outflow from financing activities	5,750,646.06	22,470,961.72
Net cash flow from financing activities	5,312,443,354.88	1,602,158.28
<b>IV.Effect of foreign exchange rate changes on cash and cash equivalents</b>	68,794,995.96	1,650,078.20
<b>V. Net increase in cash and cash equivalents</b>	5,349,033,935.76	7,830,410.07
Add: Cash and cash equivalents at the beginning of the period	305,043,920.05	175,957,784.22
<b>VI.Cash and cash equivalents at the end of the period</b>	5,654,077,855.81	183,788,194.29

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

**Cash Flow Statement of the Parent Company**  
January to March 2021

Prepared by: Joynn Laboratories (China) Co., Ltd.

Unit: RMB    Currency: RMB    Type of audit: Unaudited

Item	First quarter of 2021	First quarter of 2020
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	76,503,028.57	57,985,149.58
Refund of taxes and surcharges		
Cash received relating to other operating activities	50,807,677.80	10,390,350.91
Sub-total of cash inflow from operating activities	127,310,706.37	68,375,500.49
Cash paid for purchasing goods and receiving services	48,742,359.11	24,949,461.07
Cash paid to and on behalf of employees	28,762,505.41	31,000,317.07
Payments of taxes and surcharges	2,096,937.96	5,363,174.46
Cash paid relating to other operating activities	44,761,446.97	4,914,147.78
Sub-total of cash outflow from operating activities	124,363,249.45	66,227,100.38
Net cash flow from operating activities	2,947,456.92	2,148,400.11
<b>II. Cash flow from investing activities:</b>		
Cash received from disposal of investments	95,000,000.00	190,633,640.41
Cash received from returns on investments	1,787,131.49	410,821.91
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	280.00	
Net cash received from disposal of subsidiaries and other business entities		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	96,787,411.49	191,044,462.32
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,756,772.00	6,450,277.70

<b>Item</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Cash paid to acquire investments	112,000,000.00	193,000,000.00
Net cash paid to acquire subsidiaries and other business entities		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	115,756,772.00	199,450,277.70
Net cash flow from investing activities	-18,969,360.51	-8,405,815.38
<b>III.Cash flow from financing activities:</b>		
Cash received from capital contributions	5,318,194,000.94	
Cash received from borrowings		18,482,000.00
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	5,318,194,000.94	18,482,000.00
Cash repayments of borrowings		18,482,000.00
Cash payments for distribution of dividends, profits or interest expenses		80,365.17
Cash paid relating to other financing activities	4,874,701.20	
Sub-total of cash outflow from financing activities	4,874,701.20	18,562,365.17
Net cash flow from financing activities	5,313,319,299.74	-80,365.17
<b>IV.Effect of foreign exchange rate changes on cash and cash equivalents</b>	68,059,644.37	49,037.91
<b>V. Net increase in cash and cash equivalents</b>	5,365,357,040.52	-6,288,742.53
Add: Cash and cash equivalents at the beginning of the period	49,939,882.78	39,455,567.02
<b>VI.Cash and cash equivalents at the end of the period</b>	5,415,296,923.30	33,166,824.49

*Legal Representative:*  
**Feng Yuxia**

*Chief Financial Officer:*  
**Yu Aishui**

*Director of  
the Accounting Department:*  
**Yu Aishui**

#### 4.2 Adjustments on the financial statements at the beginning of the first year of adopting new leasing standards since 2021

✓ Applicable    ☐ Not applicable

##### Consolidated Balance Sheet

Unit: RMB    Currency: RMB

Item	As at December 31, 2020	As at January 1, 2021	Adjustment
<b>Current assets:</b>			
Cash at bank and on hand	308,689,959.55	308,689,959.55	
Balances with clearing companies			
Placements with banks and other financial institutions			
Financial assets held for trading	238,902,999.99	238,902,999.99	
Derivative financial assets			
Bills receivables	2,175,000.00	2,175,000.00	
Account receivables	88,866,136.10	88,866,136.10	
Receivables financing			
Prepayments	49,509,582.85	49,509,582.85	
Premium receivables			
Reinsurance account receivables			
Deposit receivables from reinsurance contracts			
Other receivables	8,765,341.77	8,765,341.77	
Including: Interest receivables			
Dividend receivables			
Financial assets purchased under agreements to resell			
Inventories	406,214,711.26	406,214,711.26	
Contract assets	66,812,242.99	66,812,242.99	
Assets held-for-sale			
Non-current assets due within one year			

<b>Item</b>	<b>As at December 31, 2020</b>	<b>As at January 1, 2021</b>	<b>Adjustment</b>
Other current assets	12,974,960.25	12,750,717.63	-224,242.62
Total current assets	1,182,910,934.76	1,182,686,692.14	-224,242.62
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments	64,444,809.52	64,444,809.52	
Other non-current financial assets			
Investment properties			
Fixed assets	445,555,655.12	445,555,655.12	
Construction in progress	48,633,480.15	48,633,480.15	
Biological assets for breeding	19,433,780.68	19,433,780.68	
Oil and gas assets			
Right-of-use assets		69,143,724.01	69,143,724.01
Intangible assets	123,631,240.12	123,631,240.12	
Development expenses			
Goodwill	125,295,803.39	125,295,803.39	
Long-term deferred expenditures	26,421,330.44	22,581,205.46	-3,840,124.98
Deferred tax assets	35,261,614.74	35,261,614.74	
Other non-current assets	36,232,987.14	36,232,987.14	
Total non-current assets	924,910,701.30	990,214,300.33	65,303,599.03
Total assets	2,107,821,636.06	2,172,900,992.47	65,079,356.41
<b>Current liabilities:</b>			
Short-term borrowings			
Borrowings from central bank			
Placement from banks and other financial institutions			
Financial liabilities held for trading			



Item	As at December 31, 2020	As at January 1, 2021	Adjustment
Derivative financial liabilities			
Bills payables			
Account payables	60,285,553.10	60,285,553.10	
Receipts in advance	1,570,000.00	1,570,000.00	
Contract liabilities	583,537,351.54	583,537,351.54	
Financial assets sold under agreements to repurchase			
Deposits from customers and banks			
Customer deposits for securities trading			
Customer deposits for securities underwriting			
Employee benefit payables	49,700,312.39	49,700,312.39	
Tax payables	25,600,650.35	25,600,650.35	
Other payables	32,997,002.18	32,742,752.18	-254,250.00
Including: Interest payables			
Dividend payables			
Handling charges and commission payable			
Reinsurance account payables			
Liabilities held-for-sale			
Non-current liabilities due within one year	3,080,988.42	17,600,778.09	14,519,789.67
Other current liabilities	3,270,304.53	3,270,304.53	
Total current liabilities	760,042,162.51	774,307,702.18	14,265,539.67
<b>Non-current liabilities:</b>			
Deposits for insurance contracts			
Long-term borrowings	21,375,166.75	21,375,166.75	
Debenture payables			
Including: Preference shares			
Perpetual bonds			

<b>Item</b>	<b>As at December 31, 2020</b>	<b>As at January 1, 2021</b>	<b>Adjustment</b>
Lease liabilities		53,170,080.61	53,170,080.61
Long-term payables			
Long-term payroll payable			
Projected liabilities			
Deferred income	67,040,785.16	67,040,785.16	
Deferred tax liabilities	35,199,365.36	35,199,365.36	
Other non-current liabilities			
Total non-current liabilities	123,615,317.27	176,785,397.88	53,170,080.61
Total liabilities	883,657,479.78	951,093,100.06	67,435,620.28
<b>Owners' equity (or shareholders' equity):</b>			
Paid up capital (or share capital)	227,454,729.00	227,454,729.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves	249,804,268.45	249,804,268.45	
Less: Treasury shares	9,915,527.00	9,915,527.00	
Other comprehensive income	29,063,134.69	29,220,532.44	157,397.75
Special reserve			
Surplus reserve	59,290,828.07	59,290,828.07	
General risks reserve			
Retained earnings	669,201,659.08	666,687,997.46	-2,513,661.62
Total owners' equity (or shareholders' equity) attributable to the parent company	1,224,899,092.29	1,222,542,828.42	-2,356,263.87
Non-controlling interests	-734,936.01	-734,936.01	
Total owners' equity (or shareholders' equity)	1,224,164,156.28	1,221,807,892.41	-2,356,263.87
Total liabilities and owners' equity (or shareholders' equity)	2,107,821,636.06	2,172,900,992.47	65,079,356.41

Explanation of adjustment of each item:

✓ Applicable    ☐ Not applicable

In December 2018, the Ministry of Finance of the People's Republic of China issued the Circular regarding Amendments on the PRC Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35). Upon approval by the Board, the Company announced the adoption of above revised accounting standards in the Group commencing on January 1, 2021. Due to cumulative effect of the adoption, the Group adjusted the opening balance of retained earnings and the amounts of other related items in the financial statements at the beginning of the year (in which this standard was initially adopted). The data of comparable period shall not be adjusted.

### Balance Sheet of the Parent Company

Unit: RMB    Currency: RMB

Item	As at December 31, 2020	As at January 1, 2021	Adjustment
<b>Current assets:</b>			
Cash at bank and on hand	49,939,882.78	49,939,882.78	
Financial assets held for trading	208,003,904.10	208,003,904.10	
Derivative financial assets			
Bills receivables			
Account receivables	7,980,312.02	7,980,312.02	
Receivables financing			
Prepayments	27,191,935.98	27,191,935.98	
Other receivables	55,977,804.58	55,977,804.58	
Including: Interest receivables			
Dividend receivables			
Inventories	103,417,687.78	103,417,687.78	
Contract assets	34,223,306.49	34,223,306.49	
Assets held-for-sale			
Non-current assets due within one year			
Other current assets	3,927,708.06	3,927,708.06	
Total current assets	490,662,541.79	490,662,541.79	
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			

<b>Item</b>	<b>As at December 31, 2020</b>	<b>As at January 1, 2021</b>	<b>Adjustment</b>
Long-term equity investments	549,277,848.74	549,277,848.74	
Investments in other equity instruments	64,444,809.52	64,444,809.52	
Other non-current financial assets			
Investment properties			
Fixed assets	120,373,701.14	120,373,701.14	
Construction in progress	2,137,481.93	2,137,481.93	
Biological assets for breeding			
Oil and gas assets			
Right-of-use assets		2,776,891.12	2,776,891.12
Intangible assets	17,856,922.01	17,856,922.01	
Development expenses			
Goodwill			
Long-term deferred expenditures	3,672,458.65	3,672,458.65	
Deferred tax assets	10,414,065.73	10,414,065.73	
Other non-current assets	3,923,902.76	3,923,902.76	
Total non-current assets	772,101,190.48	774,878,081.60	2,776,891.12
Total assets	1,262,763,732.27	1,265,540,623.39	2,776,891.12
<b>Current liabilities:</b>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payables			
Account payables	30,898,749.24	30,898,749.24	
Receipts in advance			
Contract liabilities	194,127,498.08	194,127,498.08	
Employee benefit payables	16,783,931.66	16,783,931.66	
Tax payables	1,201,325.41	1,201,325.41	
Other payables	16,168,322.16	16,168,322.16	
Including: Interest payables			
Dividend payables			
Liabilities held-for-sale			

<b>Item</b>	<b>As at December 31, 2020</b>	<b>As at January 1, 2021</b>	<b>Adjustment</b>
Non-current liabilities due within one year		1,362,778.04	1,362,778.04
Other current liabilities	1,452,133.47	1,452,133.47	
Total current liabilities	260,631,960.02	261,994,738.06	1,362,778.04
<b>Non-current liabilities:</b>			
Long-term borrowings			
Debenture payables			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		1,773,784.94	1,773,784.94
Long-term payables			
Long-term payroll payables			
Projected liabilities			
Deferred income	14,107,308.34	14,107,308.34	
Deferred tax liabilities	13,885,085.02	13,885,085.02	
Other non-current liabilities			
Total non-current liabilities	27,992,393.36	29,766,178.30	1,773,784.94
Total liabilities	288,624,353.38	291,760,916.36	3,136,562.98
<b>Owners' equity (shareholders' equity):</b>			
Paid-in capital (or share capital)	227,454,729.00	227,454,729.00	
Other equity investments			
Including: Preference shares			
Perpetual bonds			
Capital reserves	240,609,043.62	240,609,043.62	
Less: Treasury shares	9,915,527.00	9,915,527.00	
Other comprehensive income	44,578,088.09	44,578,088.09	
Special reserve			
Surplus reserve	59,290,828.07	59,290,828.07	
Retained earnings	412,122,217.11	411,762,545.25	-359,671.86
Total Owners' equity (or shareholders' equity)	974,139,378.89	973,779,707.03	-359,671.86
Total liabilities and owners' equity (or shareholders' equity)	1,262,763,732.27	1,265,540,623.39	2,776,891.12

Explanation of adjustment of each item:

☒ Applicable    ☐ Not applicable

In December 2018, the Ministry of Finance of the People's Republic of China issued the Circular regarding Amendments on the PRC Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35). Upon approval by the Board, the Company announced the adoption of above revised accounting standards in the Group commencing on January 1, 2021. Due to cumulative effect of the adoption, the Group adjusted the opening balance of retained earnings and the amounts of other related items in the financial statements at the beginning of the year (in which this standard was initially adopted). The data of comparable period shall not be adjusted.

**4.3 Explanation of first adoption of new leasing standards and comparative data of retrospective adjustment of the previous reporting period since 2021**

☐ Applicable    ☒ Not applicable

**4.4 Auditor's report**

☐ Applicable    ☒ Not applicable