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CanSino Biologics Inc.
康希諾生物股份公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 6185)

**THIRD QUARTERLY REPORT FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2020**

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

The unaudited results (the “**Third Quarterly Report**”) of the Group for the nine months ended September 30, 2020 (the “**Reporting Period**”) are provided. The financial information contained in the Third Quarterly Report was prepared in accordance with the Chinese Accounting Standards for Business Enterprises and has not been audited. Potential investors and shareholders of the Company are advised to pay attention to the underlying investment risks.

The Third Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Third Quarterly Report shall prevail.

By Order of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Hong Kong, October 27, 2020

As at the date of this announcement, the Board of Directors comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU and Dr. Dongxu QIU as executive Directors, Mr. Qiang XU, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive Directors.

I. IMPORTANT NOTICE

- 1.1 The board (the “**Board**”) of directors (the “**Directors**”), the board of supervisors, the Directors, supervisors and senior management of the Company guarantee the authenticity, accuracy and completeness of the contents of the Third Quarterly Report, in which there are no false representations, misleading statements contained or material omissions, and are jointly and severally responsible for the liabilities of the Company.
- 1.2 All the Directors of the Company attended the Board meeting to consider the Third Quarterly Report.
- 1.3 Xuefeng YU, the legal representative of the Company, Jing WANG, the chief financial officer of the Company, and Lu LI, the person responsible for the accounting department (head of the accounting department), guarantee the authenticity, accuracy and completeness of the financial statements contained in the Third Quarterly Report.
- 1.4 The Third Quarterly Report of the Company has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Key financial data

Unit: Yuan; Currency: RMB

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)
Total assets	6,661,918,047.53	1,784,498,716.49	273.32
Net assets attributable to the shareholders of the listed company	6,287,223,409.52	1,470,516,717.61	327.55

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the Reporting Period of last year (January to September)	Increase/decrease as compared with the corresponding period last year (%)
Net cash flows from operating activities	-171,971,392.16	-96,046,989.70	79.05
Net cash flows from investing activities	-3,279,279,817.33	-955,726,433.58	243.12
Net cash flows from financing activities	4,941,290,988.14	1,100,297,155.09	349.09
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the Reporting Period of last year (January to September)	Increase/decrease as compared with the corresponding period last year (%)
Operating revenue	5,673,787.90	1,929,746.88	194.02
Net profit attributable to shareholders of the listed company	-175,891,311.14	-93,473,603.31	88.17
Net profit after deduction of non-recurring profit or loss attributable to shareholders of listed company	-218,193,567.42	-105,040,956.97	107.72
Weighted average return on net assets (%)	-9.06	-7.85	1.21 percentage points
Basic earnings per share (RMB/Share)	-0.78	-0.46	69.57
Diluted earnings per share (RMB/Share)	-0.78	-0.46	69.57
Proportion of research and development expenses to operating revenue (%)	3,114.61	4,901.77	Decreased by 1787.16 percentage points

Items and amounts of non-recurring profits or losses

Applicable Not applicable

Unit: Yuan; Currency: RMB

Items	Amount for the period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Notes
Government grants recognized though profit or loss for the current period excluding those closely related to the Company's ordinary operations and granted on an ongoing basis under the national policies according to certain fixed quota of amount or volume	15,259,170.67	29,308,299.99	
Except effective hedging businesses that relate to the Company's normal business operations, profit or loss from fair value changes on transactional financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment income from disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's investment	12,569,184.43	14,302,057.23	
Other non-operating revenue and expenses other than the foregoing items	422,052.79	805,340.19	
Other profit and loss items falling within the meaning of nonrecurring profit and loss	-	-2,113,441.13	
Total	28,250,407.89	42,302,256.28	

2.2 Total number of shareholders, shareholding of the top ten shareholders and the top ten shareholders not subject to selling restrictions as at the end of the Reporting Period

Unit: Share

Total number of shareholders

21,678

Name of Shareholder (Full name)	Number of shares held at the end of the Reporting Period	Percentage (%)	Shareholdings of the top ten shareholders		Pledged or frozen Status of shares	Number of Shares	Nature of shareholder
			Number of shares subject to selling restriction held	Number of restricted shares including shares lent by refinancing			
HKSCC Nominees Limited	98,068,488	39.63%	–	–	unknown	–	Overseas corporation
Xuefeng YU	17,874,200	7.22%	6,284,017	6,284,017	None	0	Overseas natural person
Tao ZHU	17,874,200	7.22%	17,874,200	17,874,200	None	0	Domestic natural person
Dongxu QIU	17,114,200	6.92%	6,030,683	6,030,683	None	0	Overseas natural person
Helen Huihua MAO	16,334,200	6.60%	4,409,500	4,409,500	None	0	Overseas natural person
Future Industry Investment Fund (Limited Partnership)	8,855,336	3.58%	8,855,336	8,855,336	None	0	Domestic non-state-owned legal person
Shanghai Li'an Venture Capital Investment Center (Limited Partnership)	4,600,000	1.86%	4,600,000	4,600,000	None	0	Domestic non-state-owned legal person
Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership)	3,928,800	1.59%	3,928,800	3,928,800	None	0	Domestic non-state-owned legal person
Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership)	3,533,333	1.43%	3,533,333	3,533,333	None	0	Domestic non-state-owned legal person
Tianjin Qianyi Enterprise Management Partnership (Limited Partnership)	3,474,600	1.40%	3,474,600	3,474,600	None	0	Domestic non-state-owned legal person

Shareholdings of the top ten shareholders not subject to the selling restrictions

Name of Shareholder	Number of shares not subject to selling restrictions at the end of the Reporting Period	Class and number of Shares	
		Class	Number
HKSCC Nominees Limited	98,068,488	Overseas listed foreign shares (H Shares)	98,068,488
Guangdong Shangwei Investment Management Co., Ltd. – Shangtai No.1 Securities Investment Fund	205,804	RMB ordinary shares (A Shares)	205,804
Tiande JIN	182,903	RMB ordinary shares (A Shares)	182,903
Industrial and Commercial Bank of China Limited – Hongde Yuanjian Return Hybrid Securities Investment Fund	179,000	RMB ordinary shares (A Shares)	179,000
China Construction Bank Corporation – Nanfang Healthcare Flexible Allocation Hybrid Securities Investment Fund	139,345	RMB ordinary shares (A Shares)	139,345
Yushan YANG	128,306	RMB ordinary shares (A Shares)	128,306
Tao XIE	100,000	RMB ordinary shares (A Shares)	100,000
Yuanming HU	100,000	RMB ordinary shares (A Shares)	100,000
Wu CHEN	91,456	RMB ordinary shares (A Shares)	91,456
Jinlong SUN	91,081	RMB ordinary shares (A Shares)	91,081

Description on the related party relationship or parties acting in concert among the aforesaid shareholders	Xuefeng YU, Tao ZHU, Dongxu QIU, Helen Huihua MAO, and Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) are acting in concert. Apart from the above, the Company is not aware of any related party relationship between the other shareholders or whether they are parties acting in concert.
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Description on preferred shareholders with voting rights restored and number of shares held	Not applicable.
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2.3 Total number of preferred shareholders, shareholding of the top ten preferred shareholders and the top ten preferred shareholders not subject to selling restrictions as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Details of and reasons for material changes in the major financial statement captions and financial indicators of the Company

√ Applicable □ Not applicable

(I). Data analysis of Balance Sheet

Unit: Yuan; Currency: RMB

Item	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)
Cash and bank balance	1,805,676,639.63	643,267,062.96	1,162,409,576.67	180.70
Financial assets held for trading	3,603,009,993.45	111,526,027.55	3,491,483,965.90	3130.64
Prepayments	38,033,739.97	17,883,972.35	20,149,767.62	112.67
Other receivables	617,878.62	15,400.00	602,478.62	3912.20
Inventories	60,963,941.80	16,338,646.25	44,625,295.55	273.13
Other current assets	-	5,214,627.33	-5,214,627.33	-100
Intangible assets	36,293,283.81	19,806,435.34	16,486,848.47	83.24
Long-term prepaid expenses	10,230,814.06	14,806,330.57	-4,575,516.51	-30.90
Trade payables	10,265,193.71	6,171,174.28	4,094,019.43	66.34
Employee benefits payable	10,357,440.06	19,005,885.66	-8,648,445.60	-45.50
Tax payables	1,488,881.96	489,823.03	999,058.93	203.96
Other payables	104,241,736.16	61,141,967.28	43,099,768.88	70.49
Non-current liabilities due				
within one year	50,583,889.10	29,041,935.47	21,541,953.63	74.18
Long-term borrowings	90,000,000.00	130,000,000.00	-40,000,000.00	-30.77
Lease liabilities	4,202,546.05	7,757,702.66	-3,555,156.61	-45.83
Deferred income	103,134,950.97	59,795,934.90	43,339,016.07	72.48
Capital reserves	6,583,718,430.92	1,615,920,427.87	4,967,798,003.05	307.43
Retained earnings	-543,944,920.40	-368,053,609.26	-175,891,311.14	47.79

Notes:

1. Compared with the amount at the beginning of the year, the amount of cash and bank balance increased by RMB1,162,409,576.67, or 180.70%, primarily due to the proceeds received from the IPO and listing on the Sci-Tech Innovation Board of the Shanghai Stock Exchange during the Reporting Period.
2. Compared with the amount at the beginning of the year, the amount of financial assets held for trading increased by RMB3,491,483,965.90, or 3130.64%, primarily due to the increase in structural deposits during the Reporting Period.
3. Compared with the amount at the beginning of the year, the amount of prepayments increased by RMB20,149,767.62, or 112.67%, primarily due to the increase in advance payment and advance service payment during the Reporting Period.

4. Compared with the amount at the beginning of the year, the amount of other receivables increased by RMB602,478.62, or 3912.2%, primarily due to the increase in the deposit paid by the company during the Reporting Period.
5. Compared with the amount at the beginning of the year, the amount of inventories increased by RMB44,625,295.55, or 273.13%, primarily due to the increase in R&D and manufacturing raw materials and turnover materials during the Reporting Period.
6. Compared with the amount at the beginning of the year, the amount of other current assets decreased by RMB5,214,627.33, or 100%, primarily due to the A-shares listing fees incurred in 2019.
7. Compared with the amount at the beginning of the year, the amount of intangible assets increased by RMB16,486,848.47, or 83.24%, primarily due to the increase in the original value of the new land-use right during the Reporting Period.
8. Compared with the amount at the beginning of the year, the amount of Long-term prepaid expenses decreased by RMB4,575,516.51, or 30.90%, primarily due to the amortization of the decoration expenses incurred for leased office building during the Reporting Period.
9. Compared with the amount at the beginning of the year, the amount of trade payables increased by RMB4,094,019.43, or 66.34%, primarily due to the increase in the R&D and manufacturing raw materials and turnover materials purchased during the Reporting Period.
10. Compared with the amount at the beginning of the year, the amount of employee benefits payable decreased by RMB8,648,445.60, or 45.50%, primarily due to the annual bonus accrual at the end of last year.
11. Compared with the amount at the beginning of the year, the amount of tax payables increased by RMB999,058.93, or 203.96%, mainly due to the increase in personal income tax as the result of the increase in employee benefits expenses during the Reporting Period.
12. Compared with the amount at the beginning of the year, the amount of other payables increased by RMB43,099,768.88, or 70.49%, primarily due to the increase in the equipment and construction related payable during the Reporting Period.
13. Compared with the amount at the beginning of the year, the amount of non-current liabilities due within one year increased by RMB21,541,953.63, or 74.18%, primarily due to the changes in long-term borrowing within one year during the Reporting Period.
14. Compared with the amount at the beginning of the year, the amount of long-term borrowings decreased by RMB40,000,000.00, or 30.77%, primarily due to the reclassification of long-term borrowings to non-current liabilities due within one year.
15. Compared with the amount at the beginning of the year, the amount of lease liabilities decreased by RMB3,555,156.61, or 45.83%, primarily due to the payment of rental of office building leased by Company during the Reporting Period.
16. Compared with the amount at the beginning of the year, the amount of deferred income increased by RMB43,339,016.07, or 72.48%, primarily due to the increase in government grants during the Reporting Period.
17. Compared with the amount at the beginning of the year, the amount of capital reserves increased by RMB4,967,798,003.05, or 307.43%, primarily due to the share premium of the IPO and listing of A-Shares.

(II). Data analysis of Income Statement

Unit: Yuan; Currency: RMB

Item	First three quarters of 2020	First three quarters of 2019	Changes(%)
Operating Revenue	5,673,787.90	1,929,746.88	194.02
Operating Cost	503,402.59	131,040.49	284.16
Selling expenses	8,125,674.50	2,777,430.46	192.56
Financial expenses	-12,759,400.46	-39,255,803.01	-67.50
R&D expenses	176,716,264.71	94,591,809.87	86.82
Other income	29,405,560.36	3,321,166.00	785.40
Investment income ("-" indicating loss)	4,292,063.78	2,707,174.87	58.54
Gains arising from changes in fair value ("-" indicating loss)	10,009,993.45	246,452.14	3961.64

Notes:

1. Compared with the amount at the corresponding period of last year, the operating revenue increased by RMB3,744,041.02, or 194.02%, primarily due to the increase in income from sales of vaccine component and technical services during the Reporting Period.
2. Compared with the amount at the corresponding period of last year, the operating costs increased by RMB372,362.10, or 284.16%, primarily due to the increase in cost of sales of vaccine component and technical services during the Reporting Period.
3. Compared with the amount at the corresponding period of last year, the selling expenses increased by RMB5,348,244.04, or 192.56%, primarily due to the increase in salaries as the result of increase in employee benefits expenses of the marketing and sales team during the Reporting Period.
4. Compared with the amount at the corresponding period of last year, the financial expenses increased by RMB26,496,402.55, primarily due to the increase in exchange loss during the Reporting Period.
5. Compared with the amount at the corresponding period of last year, the R&D expenses increased by RMB82,124,454.84, or 86.82%, primarily due to the increase in R&D investment in order to maintain the product technology and quality advantages in the future and improve the Company's core competitiveness.
6. Compared with the amount at the corresponding period of last year, the other income increased by RMB26,084,394.36, or 785.40%, primarily due to the increase in government grants during the Reporting Period.
7. Compared with the amount at the corresponding period of last year, the investment income increased by RMB1,584,888.91, or 58.54%, primarily due to the increase in interest gain on structural deposit during the Reporting Period.
8. Compared with the amount at the corresponding period of last year, the gains arising from changes in fair value increased by RMB9,763,541.31, or 3961.64%, primarily due to the increase in interest accrual gain on the structural deposit during the Reporting Period.

(III). Data analysis of Cash Flows

Unit: Yuan; Currency: RMB

Item	First three quarters of 2020	First three quarters of 2019	Changes (%)
Net cash flows from operating activities	-171,971,392.16	-96,046,989.70	79.05
Net cash flows from investing activities	-3,279,279,817.33	-955,726,433.58	243.12
Net cash flows from financing activities	4,941,290,988.14	1,100,297,155.09	349.09

1. Compared with the amount at the corresponding period of last year, the outflow of operating activities increased by RMB75,924,402.46, or 79.05%, primarily due to the increase in net cash outflow from operating activities as the result of the expansion of the Company's R&D and operations before commercialization.
2. Compared with the amount at the corresponding period of last year, the outflow of investing activities increased by RMB2,323,553,383.75, or 243.12%, primarily due to the increase in net outflows resulting from the purchase and redemption of structural deposits and term deposits.
3. Compared with the amount at the corresponding period of last year, the inflow of financing activities increased by RMB3,840,993,833.05, or 349.09%, primarily due to the funds raised from the IPO and listing on the Sci-Tech Innovation Board of the Shanghai Stock Exchange.

3.2 Analysis and description on the development of significant events, and impacts and solutions thereof

Applicable Not applicable

3.3 Undertakings that has not been duly fulfilled during the Reporting Period

Applicable Not applicable

3.4 Warnings and descriptions on forecasted loss or significant changes to the accumulated net profits from the beginning of the year to the end of the next Reporting Period or as compared with the corresponding period of the last year

Applicable Not applicable

As the Company is still at the stage of R&D of products and has no commercialized products, it is predicted that the Company will continue to suffer losses from the beginning of the year to the end of the next reporting period.

Company Name	CanSino Biologics Inc.
Legal Representative	Xuefeng YU
Date	October 27, 2020

IV. APPENDIX

4.1 Financial Statements

CONSOLIDATED BALANCE SHEET

September 30, 2020

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	1,805,676,639.63	643,267,062.96
Deposit reservation for balance		
Lending funds		
Financial assets held for trading	3,603,009,993.45	111,526,027.55
Derivative financial assets		
Note receivables		
Trade receivables		
Financing receivables		
Advances to suppliers	38,033,739.97	17,883,972.35
Premium receivables		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Other receivables	617,878.62	15,400.00
Including: Interests receivable		
Dividend receivables		
Redemptory monetary capital for sale		
Inventories	60,963,941.80	16,338,646.25
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	–	5,214,627.33
Total current assets	5,508,302,193.47	794,245,736.44

Item	September 30, 2020	December 31, 2019
Non-current assets:		
Issuing of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	20,000,000.00	–
Other non-current financial assets		
Investment properties		
Fixed assets	100,066,468.32	81,658,846.94
Construction in progress	595,990,483.23	479,039,071.42
Bearer biological assets		
Oil-and-gas assets		
Right-of-use assets	9,956,564.78	14,190,371.02
Intangible assets	36,293,283.81	19,806,435.34
Development disbursement	35,402,490.41	37,409,135.41
Goodwill		
Long-term prepaid expenses	10,230,814.06	14,806,330.57
Deferred income tax assets		
Other non-current assets	345,675,749.45	343,342,789.35
Total non-current assets	1,153,615,854.06	990,252,980.05
Total assets	6,661,918,047.53	1,784,498,716.49

Item	September 30, 2020	December 31, 2019
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Borrowing funds		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payables		
Trade payables	10,265,193.71	6,171,174.28
Advances from customers		
Contract liabilities	420,000.00	577,575.60
Financial assets sold for repurchase		
Absorbing deposit and interbank deposit		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee benefits payable	10,357,440.06	19,005,885.66
Taxes payable	1,488,881.96	489,823.03
Other payables	104,241,736.16	61,141,967.28
Including: Interests payable		
Dividend payables		
Fees and commissions payable		
Reinsurance account payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	50,583,889.10	29,041,935.47
Other current liabilities		
Total current liabilities	177,357,140.99	116,428,361.32
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	90,000,000.00	130,000,000.00
Bond payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	4,202,546.05	7,757,702.66
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	103,134,950.97	59,795,934.90
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	197,337,497.02	197,553,637.56
Total liabilities	374,694,638.01	313,981,998.88

Item	September 30, 2020	December 31, 2019
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	247,449,899.00	222,649,899.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	6,583,718,430.92	1,615,920,427.87
Less: Treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves		
General risk provisions		
Retained earnings	-543,944,920.40	-368,053,609.26
Total owners' equity (or shareholders' equity)		
attributable to the parent company	6,287,223,409.52	1,470,516,717.61
Non-controlling interests		
Total owners' equity		
(or shareholders' equity)	6,287,223,409.52	1,470,516,717.61
Total liabilities and owners' equity		
(or shareholders' equity)	6,661,918,047.53	1,784,498,716.49

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

BALANCE SHEET OF THE PARENT COMPANY*September 30, 2020*

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	1,805,578,770.74	643,267,062.96
Financial assets held for trading	3,603,009,993.45	111,526,027.55
Derivative financial assets		
Note receivables		
Trade receivables		
Financing receivable		
Advances to suppliers	38,033,739.97	17,883,972.35
Other receivables	617,878.62	15,400.00
Including: Interests receivable		
Dividend receivables		
Inventories	60,963,941.80	16,338,646.25
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	–	5,214,627.33
Total current assets	5,508,204,324.58	794,245,736.44
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	100,000.00	–
Investments in other equity instruments	20,000,000.00	–
Other non-current financial assets		
Investment properties		
Fixed assets	100,066,468.32	81,658,846.94
Construction in progress	595,990,483.23	479,039,071.42
Bearer biological assets		
Oil-and-gas assets		
Right-of-use assets	9,956,564.78	14,190,371.02
Intangible assets	36,293,283.81	19,806,435.34
Development disbursement	35,402,490.41	37,409,135.41
Goodwill		
Long-term prepaid expenses	10,230,814.06	14,806,330.57
Deferred income tax assets		
Other non-current assets	345,675,749.45	343,342,789.35
Total non-current assets	1,153,715,854.06	990,252,980.05
Total assets	6,661,920,178.64	1,784,498,716.49

Item	September 30, 2020	December 31, 2019
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Trade payables	10,265,193.71	6,171,174.28
Advances from customers		
Contract liabilities	420,000.00	577,575.60
Employee benefits payable	10,357,440.06	19,005,885.66
Tax payables	1,488,881.96	489,823.03
Other payables	104,241,736.16	61,141,967.28
Including: Interests payable		
Dividend payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	50,583,889.10	29,041,935.47
Other current liabilities		
Total current liabilities	177,357,140.99	116,428,361.32
Non-current liabilities:		
Long-term borrowings	90,000,000.00	130,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	4,202,546.05	7,757,702.66
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	103,134,950.97	59,795,934.90
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	197,337,497.02	197,553,637.56
Total liabilities	374,694,638.01	313,981,998.88

Item	September 30, 2020	December 31, 2019
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	247,449,899.00	222,649,899.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	6,583,718,430.92	1,615,920,427.87
Less: Treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves		
Undistributed profits	-543,942,789.29	-368,053,609.26
Total owners' equity		
(or shareholders' equity)	6,287,225,540.63	1,470,516,717.61
Total liabilities and		
owners' equity		
(or shareholders' equity)	6,661,920,178.64	1,784,498,716.49

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

CONSOLIDATED INCOME STATEMENT

January to September, 2020

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Total revenue	1,644,177.50	23,830.62	5,673,787.90	1,929,746.88
Including: Operating Revenue	1,644,177.50	23,830.62	5,673,787.90	1,929,746.88
Interest income				
Earned premium				
Service charges and commission income				
II. Total costs	103,584,150.28	31,602,303.55	226,078,056.82	106,761,523.84
Including: Cost of operation	160,483.25	3,395.60	503,402.59	131,040.49
Interest payments				
Service charges and commission fee				
Surrender charge fee				
Net payments for insurance claims				
Extraction of insurance obligations net reserves				
Policyholder dividend expenses				
Reinsurance expenses				
Business taxes and surcharges	1,078,066.80	794,862.72	2,744,287.13	2,238,997.63
Selling expenses	3,653,716.19	1,103,565.56	8,125,674.50	2,777,430.46
Administrative expenses	21,857,150.04	13,011,211.40	50,747,828.35	46,278,048.40
R&D expenses	68,793,725.13	37,077,466.91	176,716,264.71	94,591,809.87
Financial expenses	8,041,008.87	-20,388,198.64	-12,759,400.46	-39,255,803.01
Including: Interest expenses	-	-	-	-
Interest income	9,556,173.53	7,973,291.28	21,412,768.03	14,382,110.74

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
Add: Other income	15,259,170.67	1,966,890.49	29,405,560.36	3,321,166.00
Investment income (loss indicated by “-”)	2,781,715.98	646,213.66	4,292,063.78	2,707,174.87
Including: Share of investment profit of associates and joint ventures				
Derecognition gains on financial assets measured at amortised cost				
Exchange earnings (loss indicated by “-”)				
Net gains from hedging exposure (loss indicated by “-”)				
Gains arising from changes in fair value (loss indicated by “-”)	9,787,468.45	188,552.46	10,009,993.45	246,452.14
Credit impairment loss (loss indicated by “-”)				
Asset impairment loss (loss indicated by “-”)	-	-209,180.01	-	-209,180.01
Gains on assets disposal (loss indicated by “-”)				
III. Operating profit (loss indicated by “-”)	-74,111,617.68	-28,985,996.33	-176,696,651.33	-98,766,163.96
Add: Non-operating income	460,186.92	5,208,849.55	973,884.24	5,308,949.56
Less: Non-operating expenses	38,134.13	3,199.56	168,544.05	16,388.91
IV. Total profit (total loss indicated by “-”)	-73,689,564.89	-23,780,346.34	-175,891,311.14	-93,473,603.31
Less: Income tax expenses				

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
V. Net profit (net loss indicated by “-”)	-73,689,564.89	-23,780,346.34	-175,891,311.14	-93,473,603.31
(I). According to operating continuity				
1. Net profit from continuing operations (net loss indicated by “-”)	-73,689,564.89	-23,780,346.34	-175,891,311.14	-93,473,603.31
2. Net profit from discontinued operations (net loss indicated by “-”)				
(II). According to ownership				
1. Net profit attributable to shareholders of the parent company (net loss indicated by “-”)				
2. Minority interests (net loss indicated by “-”)				
VI. Other comprehensive income, net of tax				
(I). Other comprehensive income attributable to owners of the parent company, net of tax				
1. Other comprehensive income that will not be reclassified to profit or loss				
(1) Changes in the re-measurement of defined benefit plans				
(2) Other comprehensive income accounted for using equity method, which will not be reclassified to profit or loss				
(3) Changes in fair value of investments in other equity instruments				
(4) Changes in fair value arising from the enterprise’s credit risk				

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
2. Other comprehensive income that will be reclassified to profit or loss				
(1) Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss				
(2) Changes in fair value of other debt investments				
(3) Other comprehensive income arising from reclassifying financial assets				
(4) Provision for credit impairment of other debt investments				
(5) Cash flows hedging reserve				
(6) Exchange differences on translation of financial statements denominated in foreign currencies				
(7) Others				
(II). Other comprehensive income attributable to minority shareholders, net of tax				
VII. Total comprehensive income	-73,689,564.89	-23,780,346.34	-175,891,311.14	-93,473,603.31
(I). Total comprehensive income attributable to owners of the parent company	-73,689,564.89	-23,780,346.34	-175,891,311.14	-93,473,603.31
(II). Total comprehensive income attributable to minority shareholders				
VIII. Earnings per share:				
Basic earnings per share (RMB/share)	-0.32	-0.11	-0.78	-0.46
Diluted earnings per share (RMB/share)	-0.32	-0.11	-0.78	-0.46

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

INCOME STATEMENT OF THE PARENT COMPANY

January to September, 2020

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Operating Revenue	1,644,177.50	23,830.62	5,673,787.90	1,929,746.88
Less: Cost of operation	160,483.25	3,395.60	503,402.59	131,040.49
Business taxes and surcharges	1,078,066.80	794,862.72	2,744,287.13	2,238,997.63
Selling expenses	3,653,716.19	1,103,565.56	8,125,674.50	2,777,430.46
Administrative expenses	21,857,225.02	13,011,211.40	50,745,697.24	46,278,048.40
R&D expenses	68,793,725.13	37,077,466.91	176,716,264.71	94,591,809.87
Financial expenses	8,041,008.87	-20,388,198.64	-12,759,400.46	-39,255,803.01
Including: Interest expenses	-	-	-	-
Interest income	9,556,173.53	7,973,291.28	21,412,768.03	14,382,110.74
Add: other income	15,259,170.67	1,966,890.49	29,405,560.36	3,321,166.00
Investment income (loss indicated by "-")	2,781,715.98	646,213.66	4,292,063.78	2,707,174.87
Including: Share of investment profit of associates and joint ventures				
Gain on derecognition of financial assets measured at amortised cost				
Net gains from hedging exposure (loss indicated by "-")				
Gains arising from changes in fair value (loss indicated by "-")	9,787,468.45	188,552.46	10,009,993.45	246,452.14
Credit impairment losses (loss indicated by "-")				
Asset impairment losses (loss indicated by "-")	-	-209,180.01	-	-209,180.01
Gains on assets disposal (loss indicated by "-")				

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
II. Operating profit (loss indicated by “-”)	-74,111,692.66	-28,985,996.33	-176,694,520.22	-98,766,163.96
Add: Non-operating income	460,186.92	5,208,849.55	973,884.24	5,308,949.56
Less: Non-operating expenses	38,134.13	3,199.56	168,544.05	16,388.91
III. Total profit (total loss indicated by “-”)	-73,689,639.87	-23,780,346.34	-175,889,180.03	-93,473,603.31
Less: Income tax expenses	-	-	-	-
IV. Net profit (net loss indicated by “-”)	-73,689,639.87	-23,780,346.34	-175,889,180.03	-93,473,603.31
Net profit from continuing operations (net loss indicated by “-”)	-73,689,639.87	-23,780,346.34	-175,889,180.03	-93,473,603.31
Net profit from discontinued operations (net loss indicated by “-”)				
V. Other comprehensive income, net of tax				
(I). Other comprehensive income that will not be reclassified to profit or loss				
1. Changes in the re-measurement of defined benefit plans				
2. Other comprehensive income accounted for using equity method, which will not be reclassified to profit or loss				
3. Change in fair value of investments in other equity instruments				
4. Changes in fair value arising from the enterprise’s credit risk				

Item	The third quarter of 2020 (July to September)	The third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
(II). Other comprehensive income that will be reclassified to profit or loss				
1. Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss				
2. Changes in fair value of other debt investments				
3. Other comprehensive income arising from reclassifying financial assets				
4. Provision for credit impairment of other debt investments				
5. Cash flows hedging reserve				
6. Exchange differences on translation of financial statements denominated in foreign currencies				
7. Others				
VI. Total comprehensive income	-73,689,639.87	-23,780,346.34	-175,889,180.03	-93,473,603.31
VII. Earnings per share:				
(I). Basic earnings per share (RMB/share)	-0.32	-0.11	-0.78	-0.46
(II). diluted earnings per share (RMB/share)	-0.32	-0.11	-0.78	-0.46

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

CONSOLIDATED STATEMENTS OF CASH FLOWS

January to September, 2020

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	5,516,212.30	2,765,973.48
Net increase in customer deposits and interbank deposit		
Net increase in borrowing from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the receipt of the original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposit of the insured and investment fund		
Interest, fees and commission in cash		
Net increase in funds borrowed		
Net increase in capital for repurchase business		
Net cash received from customer for acting as securities trading agent		
Refund of taxes received	8,251,056.83	301,243.98
Cash received relating to other operating activities	80,278,908.65	35,664,817.22
Subtotal of cash inflow from operating activities	94,046,177.78	38,732,034.68
Cash paid for goods and services	105,607,898.95	27,180,343.36
Net increase in customer loans and advances		
Net increase in placements with the Central Bank and Interbank		
Cash paid for claims on original insurance contract		
Net increase in lending funds		
Cash paid for interest, fees, and commissions		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	99,293,238.34	67,139,130.95
Payments of taxes	1,136,233.19	1,075,149.67
Cash paid relating to other operating activities	59,980,199.46	39,384,400.40
Subtotal of cash outflows from operating activities	266,017,569.94	134,779,024.38
Net cash flows from operating activities	-171,971,392.16	-96,046,989.70

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,499,000,000.00	410,000,000.00
Cash received from return on investments	15,994,281.54	6,432,981.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	10,000.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	1,063,539,672.93	–
Subtotal of cash inflows from investing activities	2,578,533,954.47	416,442,981.21
Cash paid to acquire fixed assets, intangible assets and other long-term assets	160,537,098.87	94,189,414.79
Cash paid to acquire investments	5,001,000,000.00	376,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	696,276,672.93	901,980,000.00
Subtotal of cash outflows from investing activities	5,857,813,771.80	1,372,169,414.79
Net cash flows from investing activities	-3,279,279,817.33	-955,726,433.58
III. Cash flows from financing activities:		
Cash received from capital contributions	4,983,775,680.00	1,127,769,646.18
Including: Cash received from capital contributions of minority shareholders of subsidiaries	–	–
Cash received from borrowings	–	–
Cash received relating to other financing activities	–	–
Subtotal of cash inflows from financing activities	4,983,775,680.00	1,127,769,646.18
Cash paid for repayments of debts	20,000,000.00	–
Cash paid for distribution of dividends, profits or interest payment	5,287,084.44	5,965,663.38
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	17,197,607.42	21,506,827.71
Subtotal of cash outflows from financing activities	42,484,691.86	27,472,491.09
Net cash flows from financing activities	4,941,290,988.14	1,100,297,155.09
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-8,571,532.03	24,937,380.84
V. Net increase in cash and cash equivalents	1,481,468,246.62	73,461,112.65
Add: Balance of cash and cash equivalents at the beginning of the Period	201,973,212.01	57,373,566.46
VI. Balance of cash and cash equivalents at the end of the Period	1,683,441,458.63	130,834,679.11

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

STATEMENT OF CASH FLOWS OF THE PARENT

January to September 2020

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 Amount (January to September)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	5,516,212.30	2,765,973.48
Refund of taxes received	8,251,056.83	301,243.98
Cash received relating to other operating activities	80,278,908.65	35,664,817.22
Subtotal of cash inflows from operating activities	94,046,177.78	38,732,034.68
Cash paid for goods and services	105,607,898.95	27,180,343.36
Cash paid to and on behalf of employees	99,293,238.34	67,139,130.95
Payment of taxes	1,136,233.19	1,075,149.67
Cash paid relating to other operating activities	59,978,068.35	39,384,400.40
Subtotal of cash outflows from operating activities	266,015,438.83	134,779,024.38
Net cash flows from operating activities	-171,969,261.05	-96,046,989.70
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,499,000,000.00	410,000,000.00
Cash received from return on investments	15,994,281.54	6,432,981.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	10,000.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	1,063,539,672.93	-
Subtotal of cash inflows from investing activities	2,578,533,954.47	416,442,981.21
Cash paid to acquire fixed assets, intangible assets and other long-term assets	160,537,098.87	94,189,414.79
Cash paid to acquire investments	5,001,000,000.00	376,000,000.00
Net cash paid to acquire subsidiaries and other business units	100,000.00	-
Cash paid relating to other investing activities	696,276,672.93	901,980,000.00
Subtotal of cash outflows from investing activities	5,857,913,771.80	1,372,169,414.79
Net cash flows from investing activities	-3,279,379,817.33	-955,726,433.58

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 Amount (January to September)
III. Cash flows from financing activities		
Cash received from capital contributions	4,983,775,680.00	1,127,769,646.18
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities	4,983,775,680.00	1,127,769,646.18
Cash paid for repayments of debts	20,000,000.00	-
Cash paid for distribution of dividends, profits or interest payment	5,287,084.44	5,965,663.38
Cash paid relating to other financing activities	17,197,607.42	21,506,827.71
Subtotal of cash outflows from financing activities	42,484,691.86	27,472,491.09
Net cash flows from financing activities	4,941,290,988.14	1,100,297,155.09
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-8,571,532.03	24,937,380.84
V. Net increase in cash and cash equivalents	1,481,370,377.73	73,461,112.65
Add: Balance of cash and cash equivalents at the beginning of the Period	201,973,212.01	57,373,566.46
VI. Balance of cash and cash equivalents at the end of the Period	1,683,343,589.74	130,834,679.11

Legal representative:
Xuefeng YU

Chief Financial Officer:
Jing WANG

*Person-in-charge of
Accounting Department:*
Lu LI

4.2 Adjustment to the financial statements of the first year of adopting new revenue standards and new leasing standards since 2020

Applicable Not applicable

4.3 Explanation on retrospective adjustment on comparative data of the first year of adopting new revenue standards and new leasing standards since 2020

Applicable Not applicable

4.4 Audit Report

Applicable Not applicable