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**Pharmaron Beijing Co., Ltd.\***

**康龍化成(北京)新藥技術股份有限公司**

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

**(Stock Code: 3759)**

## **2021 FIRST QUARTERLY REPORT**

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

The following is the first quarterly report for 2021 of the Company. The financial data contained in this quarterly report is, except for section IV in Part 4 which has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standard Board (the “**IFRSs**”) or as otherwise indicated, prepared in accordance with the PRC Accounting Standards for Business Enterprises. The first quarterly report for 2021 of the Company has not been audited.

By order of the Board

**Pharmaron Beijing Co., Ltd.\***

康龍化成(北京)新藥技術股份有限公司

**Dr. Lou Boliang**

*Chairman*

Beijing, the PRC

April 28, 2021

*As at the date of this announcement, the Board of Directors comprises Dr. Lou Boliang, Mr. Lou Xiaoqiang and Ms. Zheng Bei as executive Directors; Mr. Chen Pingjin, Mr. Hu Baifeng, Mr. Li Jiaqing and Mr. Zhou Hongbin as non-executive Directors; Mr. Dai Lixin, Ms. Chen Guoqin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.*

\* *For identification purposes only*

**Pharmaron Beijing Co., Ltd.\***  
**康龍化成(北京)新藥技術股份有限公司**

**6 Tai-He Road, Beijing Economic Technological  
Development Area, Beijing, China**

**2021 FIRST QUARTERLY REPORT**

**April 2021**

## PART 1 IMPORTANCE NOTICE

The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of the 2021 First Quarterly Report and that there are no false information, misleading statements or material omissions in the 2021 First Quarterly Report, and shall assume joint and several legal responsibility.

All directors attended the Board meeting to review the 2021 First Quarterly Report.

LOU Boliang, the person in charge of the Company, LI Shing Chung Gilbert, the Chief Financial Officer and the person in charge of Accounting Department (accounting head) of the Company warrant the truthfulness, accuracy and completeness of the financial statements contained in the 2021 First Quarterly Report.

## PART 2 COMPANY PROFILE

### I. Major Accounting Data and Financial Indicators

Any necessary retrospective adjustment or restatement of the accounting data of the previous years

Yes  No

	The reporting period	The corresponding period of the previous year	Increase/ (decrease) for the reporting period compared with the corresponding period of the previous year
Revenue ( <i>RMB</i> )	1,489,385,309.64	959,183,503.17	55.28%
Net profit attributable to owners of the parent ( <i>RMB</i> )	245,874,010.35	101,518,061.99	142.20%
Net profit attributable to owners of the parent excluding non-recurring gains or losses ( <i>RMB</i> )	237,376,010.22	121,230,340.01	95.81%
Non-IFRSs adjusted net profit attributable to owners of the parent ( <i>RMB</i> )	261,893,193.74	141,087,430.88	85.62%
Net cash flows from operating activities ( <i>RMB</i> )	498,953,761.05	325,694,990.42	53.20%
Basic earnings per share ( <i>RMB/share</i> )	0.3105	0.1285	141.63%
Diluted earnings per share ( <i>RMB/share</i> )	0.3096	0.1282	141.50%
Return on net assets on weighted average basis	2.73%	1.30%	1.43%

  

	As at the end of the reporting period	As at the end of the previous year	Increase/ (decrease) at the end of the reporting period as compared with the end of the previous year
Total assets ( <i>RMB</i> )	12,761,892,935.09	11,908,792,687.05	7.16%
Net assets attributable to owners of the parent ( <i>RMB</i> )	9,097,315,880.04	8,870,319,872.38	2.56%

## ***Non-recurring gains or losses items and amounts***

√ Applicable □ N/A

*Unit: RMB*

<b>Item</b>	<b>From the beginning of the year to the end of the reporting period</b>	<b>Note</b>
Gains or losses from disposal of non-current assets (including written-off portion of provisions for assets impairment)	-432,352.79	
Government grants included in profit/(loss) of the current period (except for those closely related to the Company's business and which are granted subject to certain amount or volume in compliance with the government policies and regulations)	19,437,494.27	It was mainly due to the government subsidies related to daily activities that were received by the Company.
Gains or losses on changes in fair value of arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, except effective hedging activities related to the Company's normal business operations	-3,960,599.25	
Other non-operating income and expenses other than the above items	-1,627,950.60	
Less: Effect of income tax	2,852,200.36	
Impact on non-controlling interests (after tax)	<u>2,066,391.14</u>	
Total	<u><u>8,498,000.13</u></u>	

Please explain the reason for determining the non-recurring gains or losses items by the Company in accordance with the definition set out in the Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses Items and for listing the non-recurring gains or losses items set out in the foregoing document as recurring gain or loss items.

Applicable  N/A

During the reporting period, the Company did not list any non-recurring gains or losses items as defined and illustrated in the Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gain or Loss Items as recurring gain or loss items.

## II. Total Number of Shareholders and Shareholdings of Top 10 Shareholders as at the End of the Reporting Period

### 1. Number of ordinary shareholders and preferred shareholders whose voting rights have been reinstated, and shareholdings of top 10 shareholders

*Unit: share*

Total number of ordinary shareholders as at the end of the reporting period	23,592	Total number of preferred shareholders whose voting rights have been reinstated as at the end of the reporting period	0
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#### Shareholdings of top 10 shareholders

Name of shareholder	Nature of shareholder	Percentage	Number of shares	Number of shares subject to trading restrictions	Pledged or frozen shares Status	Number
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業 (有限合夥))	Domestic non-state-owned legal person	19.78%	157,142,855	157,142,855		
HKSCC NOMINEES LIMITED	Overseas legal person	16.87%	133,996,889	0		
PHARMARON HOLDINGS LIMITED	Overseas legal person	12.29%	97,600,003	97,600,003		
Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership) (天津君聯聞達股權投資合夥企業 (有限合夥))	Domestic non-state-owned legal person	8.71%	69,200,328	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	5.56%	44,183,590	0		
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業 (有限合夥))	Domestic non-state-owned legal person	3.59%	28,494,266	28,494,266		

Name of shareholder	Nature of shareholder	Percentage	Number of shares	Number of shares	Pledged or frozen shares	Number
				subject to trading restrictions		
Mr. LOU Xiaoqiang (樓小強)	Domestic natural person	3.46%	27,500,000	27,500,000	Pledge	1,930,000
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	Domestic non-state-owned legal person	3.46%	27,500,000	27,500,000	Pledge	9,161,400
Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司)	Domestic non-state-owned legal person	2.61%	20,723,103	20,723,103	Pledge	10,424,000
Industrial and Commercial Bank of China Limited-Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund (中國工商銀行股份有限公司-中歐醫療健康混合型證券投資基金)	Other	1.79%	14,203,748	0		

### Shareholdings of top 10 holders of shares not subject to trading restrictions

Name of shareholder	Number of shares not subject to trading restrictions	Class of shares Class	Number
HKSCC NOMINEES LIMITED	133,996,889	Overseas listed foreign shares	133,996,889
Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership) (天津君聯聞達股權投資合夥企業 (有限合夥))	69,200,328	RMB-denominated ordinary shares	69,200,328
Hong Kong Securities Clearing Company Limited	44,183,590	RMB-denominated ordinary shares	44,183,590
Industrial and Commercial Bank of China Limited-Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund (中國工商銀行股份有限公司-中歐醫療健康混合型證券投資基金)	14,203,748	RMB-denominated ordinary shares	14,203,748
Mr. YU Yuejiang (郁岳江)	11,472,042	RMB-denominated ordinary shares	11,472,042
Beijing Junlian Maolin Equity Investment Partnership (Limited Partnership) (北京君聯茂林股權投資合夥企業 (有限合夥))	5,404,043	RMB-denominated ordinary shares	5,404,043
Bank of China Limited – Huatai-PineBridge Leading Hybrid Securities Investment Fund (中國銀行股份有限公司-華泰柏瑞質量領先混合型證券投資基金)	3,352,053	RMB-denominated ordinary shares	3,352,053
China Construction Bank Corporation – China Universal Innovation Pharmaceuticals Theme Mixed Securities Investment Fund (中國建設銀行股份有限公司-匯添富創新醫藥主題混合型證券投資基金)	2,675,475	RMB-denominated ordinary shares	2,675,475
Bank of China Limited – CMF CNI Biomedicine Index Classified Securities Investment Fund (中國銀行股份有限公司-招商國證生物醫藥指數分級證券投資基金)	2,580,784	RMB-denominated ordinary shares	2,580,784

Industrial and Commercial Bank of China Limited – Lombarda China Medical Innovation Equity Securities Investment Fund (中國工商銀行股份有限公司 – 中歐醫療創新股票型證券投資基金)	2,272,232	RMB-denominated ordinary shares	2,272,232
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Description of connected relationships or concerted actions of the above shareholders

1. Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥)) and Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) are the shareholding entities controlled by CITIC Buyout Investment Fund (Shenzhen) (Limited Partnership) (中信併購投資基金(深圳)合夥企業(有限合夥)).
2. Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership) (天津君聯聞達股權投資合夥企業(有限合夥)) and Beijing Junlian Maolin Equity Investment Partnership (Limited Partnership) (北京君聯茂林股權投資合夥企業(有限合夥)) are controlled by Junlian Capital Management Co., Ltd. (君聯資本管理股份有限公司).
3. Mr. LOU Xiaoqiang (樓小強), a shareholder of the Company, owns 100% equity interests of Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司); Ms. ZHENG Bei (鄭北), Mr. LOU Xiaoqiang (樓小強)'s spouse, owns 100% equity interests of Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司), and Dr. LOU Boliang, Mr. LOU Xiaoqiang (樓小強)'s brother, is the director of Pharmaron Holdings Limited.

The top 10 shareholders of the Company have no connected relationship other than those set forth above.

Description of securities margin trading business by top 10 shareholders (if any) N/A

Whether the top 10 ordinary shareholders and top 10 ordinary shareholders not subject to trading restrictions conducted any agreed repurchase transaction during the reporting period

Yes  No

The top 10 ordinary shareholders and top 10 ordinary shareholders not subject to trading restrictions did not conduct any agreed repurchase transaction during the reporting period.

**2. Number of preferred shareholders and the shareholdings of top 10 preferred shareholders**

Applicable  N/A

### 3. Change in shares subject to trading restrictions

√ Applicable □ N/A

*Unit: share*

Name of shareholder	Period-beginning shares subject to trading restrictions	Number of shares released from trading restrictions during the reporting period	Increase in shares subject to trading restrictions during the reporting period	Period-end shares subject to trading restrictions	Reason for release	Proposed date of release from trading restriction
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥))	157,142,855	0	0	157,142,855	Pre-IPO shares subject to trading restrictions	January 28, 2022
Pharmaron Holdings Limited	97,600,003	0	0	97,600,003	Pre-IPO shares subject to trading restrictions	January 28, 2022
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	28,494,266	0	0	28,494,266	Pre-IPO shares subject to trading restrictions	January 28, 2022
Mr. LOU Xiaoqiang (樓小強)	27,500,000	0	0	27,500,000	Pre-IPO shares subject to trading restrictions	January 28, 2022
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	27,500,000	0	0	27,500,000	Pre-IPO shares subject to trading restrictions	January 28, 2022
Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司)	20,723,103	0	0	20,723,103	Pre-IPO shares subject to trading restrictions	January 28, 2022
Beijing Longtai Dingsheng Investment Management Enterprise (Limited Partnership) (北京龍泰鼎盛投資管理企業(有限合夥))	2,923,079	0	0	2,923,079	Pre-IPO shares subject to trading restrictions	January 28, 2022
Beijing Longtai Huisheng Investment Management Enterprise (Limited Partnership) (北京龍泰匯盛投資管理企業(有限合夥))	2,923,079	0	0	2,923,079	Pre-IPO shares subject to trading restrictions	January 28, 2022
Beijing Longtai Zhongsheng Investment Management Enterprise (Limited Partnership) (北京龍泰眾盛投資管理企業(有限合夥))	2,923,079	0	0	2,923,079	Pre-IPO shares subject to trading restrictions	January 28, 2022
Beijing Longtai Huixin Investment Management Enterprise (Limited Partnership) (北京龍泰匯信投資管理企業(有限合夥))	2,923,079	0	0	2,923,079	Pre-IPO shares subject to trading restrictions	January 28, 2022
Other holders of shares subject to trading restrictions	6,491,070	6,000	0	6,485,070	Pre-IPO shares subject to trading restrictions and restricted shares under the share incentive scheme	It will be released in batches in accordance with relevant laws and regulations and shareholders' undertakings
<b>Total</b>	<b>377,143,613</b>	<b>6,000</b>	<b>0</b>	<b>377,137,613</b>	-	-



## PART 3 SIGNIFICANT EVENTS

### I. Significant Change in Major Financial Data and Financial Indicators During the Reporting Period and the Reasons Thereof

√ Applicable □ N/A

Item	Balance at the end of the reporting period/ amount of the current period (RMB)	Balance as at the end of the previous year/ amount of the previous period (RMB)	Percentage of changes	Reasons for significant changes
Prepayments	15,012,817.04	9,991,377.35	50.26%	Prepayments increased by RMB5,021,400 or 50.26% compared with the balance at the end of last year, mainly due to the increase in prepayments for the procurement of raw materials.
Contract assets	181,498,586.43	133,764,197.46	35.69%	Contract assets increased by RMB47,734,400 or 35.69% compared with the balance at the end of last year, mainly due to the growing business scale.
Investment properties	–	43,888,859.93	-100.00%	Investment properties decreased by RMB43,888,900 or 100% compared with the balance at the end of last year, due to the conversion of use of investment properties to its own use, resulting in the transfer of relevant land and buildings to intangible assets and fixed assets, respectively.
Construction in progress	1,084,063,840.30	820,576,183.15	32.11%	Construction in progress increased by RMB263,487,700 or 32.11% compared with the balance at the end of last year, mainly due to the scheduled construction of Ningbo Hangzhou Bay R&D service center, Phase I of Shaoxing Shangyu manufacturing facility.
Deferred tax assets	11,439,017.31	8,436,003.69	35.60%	Deferred tax assets increased by RMB3,003,000 or 35.60% compared with the balance at the end of last year, mainly due to the increase in deferred tax assets related to recognized tax losses.
Other non-current assets	1,005,920,243.54	149,162,761.67	574.38%	Other non-current assets increased by RMB856,757,500 or 574.38% compared with the balance at the end of last year, mainly due to the prepayments for the acquisition of equity interests in Allergan Biologics Limited.
Held-for-trading financial liabilities	1,993,442.22	–	N/A	It was mainly due to the change in fair value of addition of foreign currency forward contracts during the reporting period.

Item	Balance at the end of the reporting period/ amount of the current period (RMB)	Balance as at the end of the previous year/ amount of the previous period (RMB)	Percentage of changes	Reasons for significant changes
Tax payable	83,216,112.28	51,834,011.70	60.54%	Tax payable increased by RMB31,382,100 or 60.54% compared with the balance at the end of last year, mainly due to the significant growth of the total profit during the reporting period, resulting in a greater increase in the income tax payable compared with the balance at the end of the last year.
Long-term borrowings	730,252,586.00	394,810,891.08	84.96%	Long-term borrowings increased by RMB335,441,700 or 84.96% compared with the balance at the end of last year, mainly due to our increased bank borrowings for project construction.
Treasury shares	82,085,478.41	45,474,869.16	80.51%	Treasury shares increased by RMB36,610,600 or 80.51% compared with the balance at the end of last year. During the reporting period, in accordance with the H Share Award and Trust Scheme, Computershare Hong Kong Trustees Limited (the "Trustee") purchased the H Shares from the open market based on the instructions of the Company.
Revenue	1,489,385,309.64	959,183,503.17	55.28%	During the reporting period, the Company's overall development was in good shape with ever-growing income. The revenue increased by 55.28% on a period-on-period basis.
Cost	972,067,265.31	638,222,684.14	52.31%	In line with the increased revenue, the cost during the reporting period increased by 52.31% on a period-on-period basis.
Selling expenses	32,063,194.79	17,891,718.19	79.21%	In line with the increased revenue, the selling expenses during the reporting period increased by 79.21% on a period-on-period basis.
Administrative expenses	188,364,617.42	141,864,369.42	32.78%	Administrative expenses increased by RMB46,500,200 or 32.78% on a period-on-period basis, mainly due to an increase in the number of the Company's executives and labor costs as a result of the expansion of the Company's business scale.
Research and development costs	29,095,136.05	20,949,068.76	38.89%	Research and development costs increased by RMB8,146,100, representing an increase of 38.89% on a period-on-period basis during the reporting period, mainly due to the Company's enhanced efforts to improve research and development capabilities technical expertise, and increased research and development spending.

<b>Item</b>	<b>Balance at the end of the reporting period/ amount of the current period (RMB)</b>	<b>Balance as at the end of the previous year/ amount of the previous period (RMB)</b>	<b>Percentage of changes</b>	<b>Reasons for significant changes</b>
Finance costs	-12,697,228.00	-21,912,831.21	42.06%	Finance costs increased by RMB9,215,600, representing an increase of 42.06% on a period-on-period basis, mainly due to the decrease in interest income of RMB14,773,700 as compared with the same period last year.
Other income	18,418,994.27	5,396,718.28	241.30%	Other income increased by RMB13,022,300, representing an increase of 241.30% on a period-on-period basis, mainly due to the significant increase in government subsidies related to daily activities that were received by the Company.
Investment income	38,271,517.29	-5,706,597.33	770.65%	Investment income increased by RMB43,978,100, representing an increase of 770.65% on a period-on-period basis, mainly due to the following: <ul style="list-style-type: none"> <li>1. The transfer of gains on change in fair value amounting to approximately RMB32,380,700 to investment income as a result of the settlement of foreign currency forward contracts used for hedging against foreign exchange risks during the reporting period, as compared to the gains arising from investment in derivative financial instruments amounting to RMB3,828,400 in the same period last year;</li> <li>2. The decrease in losses arising from investment in associates of RMB9,787,700 during the reporting period as compared with the same period last year.</li> </ul>

<b>Item</b>	<b>Balance at the end of the reporting period/ amount of the current period (RMB)</b>	<b>Balance as at the end of the previous year/ amount of the previous period (RMB)</b>	<b>Percentage of changes</b>	<b>Reasons for significant changes</b>
Gains on change in fair value	-42,576,727.51	-28,183,985.51	-51.07%	<p>Gains on change in fair value decreased by RMB14,392,700, representing a decrease of 51.07% on a period-on-period basis during the reporting period, mainly due to:</p> <ol style="list-style-type: none"> <li>1. the losses on change in fair value of Zentalis Pharmaceuticals, LLC, an investee of the Company of approximately RMB15,857,700 during the reporting period;</li> <li>2. the losses on change in fair value recognized for the foreign currency forward contracts and foreign currency option contracts amounting to approximately RMB30,711,000 (among which mainly the portion of changes in fair value of contracts due for settlement transferred to investment income), as compared to the losses on change in fair value of derivative financial instruments amounting to RMB28,184,000 in the same period last year.</li> </ol>
Credit impairment losses	-250,250.61	-1,998,021.41	-87.48%	It was mainly due to the decrease in impairment losses on trade receivables during the reporting period.
Asset impairment losses	-2,010,980.86	-3,427,932.28	-41.34%	It was mainly due to the decrease in impairment losses on inventories and impairment losses on contract assets during the reporting period.
Gain on disposal of assets	-432,352.79	-270,818.69	-59.65%	It was mainly due to the increase in losses arising from the disposal of non-current assets during the reporting period.
Non-operating income	1,123,120.65	104,599.92	973.73%	It was mainly due to the increase in government subsidies related to non-daily activities received by the Company during the reporting period as compared with the same period last year.

<b>Item</b>	<b>Balance at the end of the reporting period/ amount of the current period (RMB)</b>	<b>Balance as at the end of the previous year/ amount of the previous period (RMB)</b>	<b>Percentage of changes</b>	<b>Reasons for significant changes</b>
Non-operating expenses	1,732,571.25	4,365,214.32	-60.31%	It was mainly due to the change in charitable donations during the reporting period as compared with the same period last year.
Income tax expenses	45,811,849.63	21,459,301.47	113.48%	During the reporting period, the income tax expenses increased due to a period-on period increase in profit before tax by 146.42%.
Net cash flow from operating activities	498,953,761.05	325,694,990.42	53.20%	It was mainly due to the significant period-on-period increase in revenue during the reporting period.
Net cash flow from investing activities	-1,604,811,035.60	-841,498,471.73	-90.71%	The net cash outflows from investing activities during the reporting period was mainly due to the following factors: <ul style="list-style-type: none"> <li>1. Net cash used for payment of equity investments of approximately RMB837,184,300.</li> <li>2. Using funds including the proceeds of H shares in the constructions of various infrastructure and in the payment for acquisitions of other fixed assets and intangible assets and the other long-term assets in cash of approximately RMB547,667,300;</li> <li>3. Net cash outflows used in purchase of term deposits over three months and some medium-risk and low-risk wealth management products of approximately RMB262,507,000.</li> </ul>
Net cash flows from financing activities	285,020,719.65	-765,903,016.74	137.21%	It was mainly due to the decrease in repayments of debts during the reporting period as compared with the same period last year.
Effect of foreign exchange rate changes on cash and cash equivalents	-3,608,956.15	-20,243,828.35	82.17%	It was mainly due to the decrease in average amount of cash and bank balances denominated in foreign currencies during the reporting period.

## II. Business Review

### ***Factors leading to change in business revenue during the reporting period***

During the reporting period, the management of the Company carried out its operation in 2021 in an orderly manner in accordance with the development strategy formulated by the Board. With the joint efforts of all employees, the Company successfully completed all tasks in the first quarter of 2021 and maintained a good momentum of stable and healthy development.

Revenue from principal operations, gross profit and gross profit margin for the first quarter of 2021 as well as their period-on-period changes are as follows:

*Unit: RMB*

By products or services	Revenue	Gross profit	Gross profit margin	Increase/ (decrease) in revenue as compared with the corresponding period of the previous year	Increase/ (decrease) in gross profit as compared with the corresponding period of the previous year
Laboratory services	984,441,683.65	399,052,445.30	40.54%	54.10%	61.00%
CMC (small molecule CDMO) services	304,823,002.06	92,628,005.50	30.39%	50.90%	75.52%
Clinical development services	198,613,955.87	24,970,047.85	12.57%	75.01%	41.02%

### ***Major executed orders and progress***

Applicable  N/A

### ***Scattered orders***

Applicable  N/A

### ***Significant change in or adjustment of product or service during the reporting period***

Applicable  N/A

### ***Progress and impact of important research and development projects***

Applicable  N/A

***Impact of major changes in the Company’s intangible assets, core competitiveness, core technical team or key technical personnel (non-directors, supervisors, senior management personnel) during the reporting period, and the countermeasures***

Applicable  N/A

***Change in top 5 suppliers during the reporting period and its impact***

Applicable  N/A

***Change in top 5 clients during the reporting period and its impact***

Applicable  N/A

***Implementation of annual operating plan during the reporting period***

Applicable  N/A

During the reporting period, the Company strictly implemented the operating plan for 2021 formulated by the Board, and there was no change in the annual operating plan. For details, please refer to relevant description set forth in “Outlook for 2021” of “Management Discussion and Analysis” of the 2020 Annual Report.

***Important risk factors that may adversely affect the Company’s future operation, major difficulties in operations, and proposed countermeasures***

Applicable  N/A

Please refer to relevant description set forth in “Outlook for 2021” of “Management Discussion and Analysis” of the 2020 Annual Report.

### III. Progress of Significant Events, Analysis of Their Impacts and Solutions

Applicable  N/A

Progress of significant events during the reporting period are shown in the table below:

<b>Overview of significant events</b>	<b>Date of disclosure</b>	<b>Search index on the website disclosing the interim reports</b>
Investment in Wuxi AstraZeneca CICC Venture Capital Partnership (Limited Partnership)	February 3, 2021	Announcement on Completion of Filing of Investment in Private Equity Investment Fund (No.: 2021-002), disclosure website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Acquisition of 100% equity interests in Allergan Biologics Limited	March 1, 2021	Announcement on the Company's Acquisition of Equity Interests in an Overseas Company (No.: 2021-005), disclosure website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> Discloseable transaction in relation to the acquisition of 100% equity interest in a research and development services company based in the U.K., disclosure website: <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>
Investment in Beijing Kangjun Ningyuan Equity Investment Partnership (Limited Partnership)	March 13, 2021	Announcement on the Company's Investment in Private Equity Investment Fund and Related Transactions (No.: 2021-009), disclosure website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Investment in Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership)	March 29, 2021	Announcement on the Company's Investment in Private Equity Investment Fund and Related Transactions (No.: 2021-021), disclosure website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

#### ***Implementation and progress of share repurchase***

Applicable  N/A

#### ***Implementation and progress of centralized bidding to reduce holdings of repurchased shares***

Applicable  N/A

### IV. Overdue Undertaking Not Performed as at the end of the Reporting Period by the Company's De Facto Controller, Shareholders, Related Parties and Purchasers, the Company and Other Undertaking Parties

Applicable  N/A

There was no overdue undertaking not performed as at the end of the reporting period by the Company's de facto controller, shareholders, related parties and purchasers, the Company and other undertaking parties.



## V. Comparison Table on Use of Raised Funds

Applicable  N/A

## VI. 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 the Previous Year

Applicable  N/A

## VII. Guarantees for Third Parties in Violation of Regulations

Applicable  N/A

There was no guarantees for third parties in violation of regulations during the reporting period.

## VIII. Appropriation of Non-Operating Funds of the Listed Company by the Controlling Shareholder and its Related Parties

Applicable  N/A

There was no appropriation of non-operating funds of the listed company by the controlling shareholder and its related parties during the reporting period.

## IX. Records of Reception of Investors, Communications and Press Interviews during the Reporting Period

Applicable  N/A

Time	Location	Mode	Type of Audience Received	Audience Received	Key Contents Discussed and Information Furnished	Index of Basic Information of Research
March 29, 2021	Conference room of the Company	Communication via telephone	Institutions	366 participants from 276 institutions including CICC Securities, Haitong Securities, Orient Securities, Guotai Junan, Guosheng Securities, CITIC Securities, GF Securities, China Merchants Securities, Lombarda China Fund, Fullgoal Fund, China Universal Fund, Lake Bleu Capital, Huaxia Fund, Springs Capital, Greenwoods Investment, Penghua Fund, China Merchants Fund	Exchange views with investors on the operating conditions for 2020	For further details, please refer to the Records of Investor Relations Activities as at March 29, 2021 disclosed at <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

## PART 4 FINANCIAL STATEMENTS

### I. Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.  
March 31, 2021

Item	<i>Unit: RMB</i>	
	March 31, 2021	December 31, 2020
<b>Current assets:</b>		
Cash and bank balances	<b>2,210,848,700.48</b>	2,942,352,739.79
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	<b>1,049,824,964.00</b>	910,010,204.36
Derivative financial assets		
Note receivables		
Trade receivables	<b>1,063,320,233.50</b>	1,076,613,848.97
Trade receivables financing		
Prepayments	<b>15,012,817.04</b>	9,991,377.35
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	<b>48,783,192.06</b>	43,125,212.21
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	<b>318,799,676.63</b>	281,617,169.89
Contract assets	<b>181,498,586.43</b>	133,764,197.46
Assets held for sale		
Non-current assets due within one year		
Other current assets	<b>176,889,261.84</b>	<b>142,903,541.28</b>
<b>Total current assets</b>	<b><u>5,064,977,431.98</u></b>	<b><u>5,540,378,291.31</u></b>

Item	March 31, 2021	December 31, 2020
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	314,495,872.63	280,474,146.47
Other investments in equity instruments		
Other non-current financial assets	135,068,486.39	121,229,605.93
Investment properties		43,888,859.93
Fixed assets	2,882,056,148.93	2,722,686,958.65
Construction in progress	1,084,063,840.30	820,576,183.15
Productive biological assets		
Oil & gas assets		
Right-of-use assets	236,177,534.13	255,439,849.20
Intangible assets	638,410,737.66	566,076,376.97
Development expenses		
Goodwill	1,172,594,357.93	1,166,172,234.71
Long-term deferred expenses	216,689,264.29	234,271,415.37
Deferred tax assets	11,439,017.31	8,436,003.69
Other non-current assets	1,005,920,243.54	149,162,761.67
<b>Total non-current assets</b>	<b><u>7,696,915,503.11</u></b>	<b><u>6,368,414,395.74</u></b>
<b>Total assets</b>	<b><u>12,761,892,935.09</u></b>	<b><u>11,908,792,687.05</u></b>

<b>Item</b>	<b>March 31, 2021</b>	December 31, 2020
<b>Current liabilities:</b>		
Short-term borrowings	<b>388,574,964.43</b>	377,265,354.81
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities	<b>1,993,442.22</b>	
Derivative financial liabilities		
Note payables		
Trade payables	<b>220,329,344.65</b>	191,497,239.86
Advances from customers		
Contract liabilities	<b>550,829,670.03</b>	473,288,883.77
Financial assets sold for repurchase		
Customer and inter-bank deposits		
Deposit for securities trading brokerage		
Deposit for securities underwriting brokerage		
Employee benefits payables	<b>487,833,215.37</b>	387,442,503.10
Tax payables	<b>83,216,112.28</b>	51,834,011.70
Other payables	<b>472,830,638.05</b>	407,655,814.57
Including: Interests payables		
Dividend payables	<b>611,608.05</b>	611,608.05
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	<b>93,045,147.46</b>	92,805,094.82
Other current liabilities		
<b>Total current liabilities</b>	<b><u>2,298,652,534.49</u></b>	<b><u>1,981,788,902.63</u></b>

<b>Item</b>	<b>March 31, 2021</b>	December 31, 2020
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term borrowings	<b>730,252,586.00</b>	394,810,891.08
Bond payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	<b>171,039,791.72</b>	186,607,862.14
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	<b>155,163,322.63</b>	158,128,263.67
Deferred tax liabilities	<b>106,860,268.02</b>	106,906,443.30
Other non-current liabilities	<b>147,854,250.00</b>	146,810,250.00
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b><u>1,311,170,218.37</u></b>	<b><u>993,263,710.19</u></b>
<b>Total liabilities</b>	<b><u>3,609,822,752.86</u></b>	<b><u>2,975,052,612.82</u></b>

Item	March 31, 2021	December 31, 2020
<b>Equity:</b>		
Share capital	794,387,462.00	794,387,462.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	6,041,585,357.97	6,028,142,600.97
Less: Treasury shares	82,085,478.41	45,474,869.16
Other comprehensive income	-33,934,786.33	-38,224,635.89
Specific reserve		
Surplus reserve	202,465,255.25	202,465,255.25
General risk provision		
Retained earnings	2,174,898,069.56	1,929,024,059.21
<b>Total equity attributable to owners of the parent</b>	<b>9,097,315,880.04</b>	<b>8,870,319,872.38</b>
Non-controlling interests	54,754,302.19	63,420,201.85
	<u>9,152,070,182.23</u>	<u>8,933,740,074.23</u>
<b>Total equity</b>	<b>9,152,070,182.23</b>	<b>8,933,740,074.23</b>
	<u>12,761,892,935.09</u>	<u>11,908,792,687.05</u>
<b>Total liabilities and equity</b>	<b>12,761,892,935.09</b>	<b>11,908,792,687.05</b>

Legal representative:  
LOU Boliang

Chief Financial Officer:  
LI Shing Chung Gilbert

Person in charge of  
Accounting Department:  
LI Shing Chung Gilbert

## 2. Balance Sheet of the Company

	<i>Unit: RMB</i>	
Item	March 31, 2021	December 31, 2020
<b>Current assets:</b>		
Cash and bank balances	1,148,874,925.07	1,857,342,493.79
Held-for-trading financial assets	589,754,023.01	525,261,605.10
Derivative financial assets		
Note receivables		
Trade receivables	872,029,422.34	866,339,884.84
Trade receivables financing		
Prepayments	2,026,407.59	2,953,712.26
Other receivables	1,452,502,372.68	461,247,235.46
Including: Interest receivables		
Dividend receivables		
Inventories	60,823,790.63	53,462,370.71
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	<u>31,805,117.38</u>	<u>27,474,399.26</u>
<b>Total current assets</b>	<b><u>4,157,816,058.70</u></b>	<b><u>3,794,081,701.42</u></b>

Item	March 31, 2021	December 31, 2020
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	4,475,070,664.68	4,435,157,955.93
Other investments in equity instruments		
Other non-current financial assets	30,000,000.00	1,000,000.00
Investment properties		
Fixed assets	1,301,005,820.48	1,293,499,376.74
Construction in progress	42,452.82	2,086,733.12
Productive biological assets		
Oil & gas assets		
Right-of-use assets	57,837,847.38	62,551,092.33
Intangible assets	123,151,848.77	123,528,326.04
Development expenses		
Goodwill		
Long-term deferred expenses	97,135,685.89	109,883,880.88
Deferred tax assets		
Other non-current assets	31,442,682.99	22,424,466.02
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>6,115,687,003.01</b>	<b>6,050,131,831.06</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>10,273,503,061.71</b>	<b>9,844,213,532.48</b>
	<hr/> <hr/>	<hr/> <hr/>



Item	March 31, 2021	December 31, 2020
<b>Current liabilities:</b>		
Short-term borrowings	54,271,804.39	38,622,819.62
Held-for-trading financial liabilities	1,993,442.22	
Derivative financial liabilities		
Note payables		
Trade payables	129,796,195.82	125,514,474.46
Advances from customers		
Contract liabilities	118,426,547.93	111,357,958.94
Employee benefits payables	270,180,160.45	205,472,101.48
Tax payables	12,282,504.33	6,120,177.80
Other payables	732,917,050.46	595,291,480.94
Including: Interest payables		
Dividend payables	611,608.05	611,608.05
Liabilities held for sale		
Non-current liabilities due within one year	19,811,637.74	20,495,930.87
Other current liabilities		
<b>Total current liabilities</b>	<b><u>1,339,679,343.34</u></b>	<b><u>1,102,874,944.11</u></b>
<b>Non-current liabilities:</b>		
Long-term borrowings	82,000,000.00	84,000,000.00
Bond payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	42,132,369.23	43,902,916.97
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	6,245,586.33	6,793,176.96
Deferred tax liabilities	59,992,108.19	58,238,487.22
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b><u>190,370,063.75</u></b>	<b><u>192,934,581.15</u></b>
<b>Total liabilities</b>	<b><u>1,530,049,407.09</u></b>	<b><u>1,295,809,525.26</u></b>

<b>Item</b>	<b>March 31, 2021</b>	December 31, 2020
<b>Equity:</b>		
Share capital	<b>794,387,462.00</b>	794,387,462.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	<b>5,979,578,111.41</b>	5,966,168,890.35
Less: Treasury shares	<b>82,085,478.41</b>	45,474,869.16
Other comprehensive income	<b>406,457.02</b>	
Specific reserve		
Surplus reserve	<b>202,465,255.25</b>	202,465,255.25
Retained earnings	<b><u>1,848,701,847.35</u></b>	<u>1,630,857,268.78</u>
<b>Total equity</b>	<b><u><u>8,743,453,654.62</u></u></b>	<u><u>8,548,404,007.22</u></u>
<b>Total liabilities and equity</b>	<b><u><u>10,273,503,061.71</u></u></b>	<u><u>9,844,213,532.48</u></u>

### 3. Consolidated Income Statement

Unit: RMB

Item	Amount of the current period	Amount of the previous period
<b>1. Total revenue</b>	<b>1,489,385,309.64</b>	959,183,503.17
Including: Revenue	<b>1,489,385,309.64</b>	959,183,503.17
Interest income		
Insurance premium earned		
Fee and commission income		
<b>2. Total cost</b>	<b>1,217,712,145.16</b>	806,096,811.44
Including: Cost	<b>972,067,265.31</b>	638,222,684.14
Interest expenses		
Fee and commission expenses		
Surrender value		
Net claim paid		
Net change in insurance contract reserves		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	<b>8,819,159.59</b>	9,081,802.14
Selling expenses	<b>32,063,194.79</b>	17,891,718.19
Administrative expenses	<b>188,364,617.42</b>	141,864,369.42
Research and development costs	<b>29,095,136.05</b>	20,949,068.76
Finance expenses	<b>-12,697,228.00</b>	-21,912,831.21
Including: Interest expenses	<b>5,870,816.41</b>	8,617,709.91
Interest income	<b>9,699,906.23</b>	24,473,570.14
Add: Other income	<b>18,418,994.27</b>	5,396,718.28
Investment income (“-” indicating loss)	<b>38,271,517.29</b>	-5,706,597.33
Including: Income from investments in associates and joint ventures	<b>-344,610.97</b>	-10,132,345.44
Gains on derecognition of financial assets measured at amortized cost		
Foreign exchange gains (“-” indicating loss)		
Net gain on exposure hedging (“-” indicating loss)		
Gains on change in fair value (“-” indicating loss)	<b>-42,576,727.51</b>	-28,183,985.51
Credit impairment losses (“-” indicating loss)	<b>-250,250.61</b>	-1,998,021.41
Assets impairment losses (“-” indicating loss)	<b>-2,010,980.86</b>	-3,427,932.28
Gains on disposal of assets (“-” indicating loss)	<b>-432,352.79</b>	-270,818.69

Item	Amount of the current period	Amount of the previous period
<b>3. Operating profit (“-” indicating loss)</b>	<b>283,093,364.27</b>	118,896,054.79
Add: Non-operating income	<b>1,123,120.65</b>	104,599.92
Less: Non-operating expenses	<b>1,732,571.25</b>	4,365,214.32
<b>4. Profit before tax (“-” indicating total loss)</b>	<b>282,483,913.67</b>	114,635,440.39
Less: Income tax expenses	<b>45,811,849.63</b>	21,459,301.47
<b>5. Net profit (“-” indicating net loss)</b>	<b>236,672,064.04</b>	93,176,138.92
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	<b>236,672,064.04</b>	93,176,138.92
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent	<b>245,874,010.35</b>	101,518,061.99
2. Non-controlling interests	<b>-9,201,946.31</b>	-8,341,923.07
<b>6. Other comprehensive income, net of tax</b>	<b>4,333,930.40</b>	-27,594,163.16
Other comprehensive income attributable to owners of the parent, net of tax	<b>4,289,849.56</b>	-27,699,357.72
(i) Other comprehensive income that may not be reclassified to profit or loss		
1. Changes arising from remeasurement under defined benefit plan		
2. Other comprehensive income that may not be transferred to gain or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(ii) Other comprehensive income that will be reclassified to profit or loss	<b>4,289,849.56</b>	-27,699,357.72
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Impairment allowance of other debt investments		
5. Cash flow hedging reserve	<b>406,457.02</b>	
6. Exchange difference on translation of foreign financial statements	<b>3,883,392.54</b>	-27,699,357.72
7. Others		

<b>Item</b>	<b>Amount of the current period</b>	Amount of the previous period
Other comprehensive income attributable to the non-controlling interests, net of tax	<b>44,080.84</b>	105,194.56
<b>7. Total comprehensive income</b>	<b>241,005,994.44</b>	65,581,975.76
Total comprehensive income attributable to owners of the parent	<b>250,163,859.91</b>	73,818,704.27
Total comprehensive income attributable to the non-controlling interests	<b>-9,157,865.47</b>	-8,236,728.51
<b>8. Earnings per share:</b>		
(i) Basic earnings per share	<b>0.3105</b>	0.1285
(ii) Diluted earnings per share	<b>0.3096</b>	0.1282
Legal representative: LOU Boliang	Chief Financial Officer: LI Shing Chung Gilbert	Person in charge of Accounting Department: LI Shing Chung Gilbert

#### 4. *Income Statement of the Company*

*Unit: RMB*

Item	Amount of the current period	Amount of the previous period
<b>1. Revenue</b>	<b>872,338,604.89</b>	499,669,840.66
Less: Cost	<b>535,302,455.01</b>	315,271,958.02
Taxes and surcharges	<b>2,489,648.13</b>	2,437,511.68
Selling expenses	<b>16,962,350.30</b>	1,380,609.63
Administrative expenses	<b>72,291,111.87</b>	74,562,349.02
Research and development costs	<b>16,011,674.68</b>	13,012,726.10
Finance expenses	<b>-14,493,795.60</b>	-13,959,966.94
Including: Interest expenses	<b>1,881,945.06</b>	5,908,934.38
Interest income	<b>6,522,732.22</b>	23,527,607.88
Add: Other income	<b>2,936,158.66</b>	1,864,265.63
Investment income (“-” indicating loss)	<b>37,589,463.16</b>	-6,303,963.57
Including: Income from investments in associates and joint ventures	<b>-344,610.97</b>	-10,132,345.44
Gains on derecognition of financial assets measured at amortized cost (“-” indicating loss)		
Net gains on exposure hedging (“-” indicating loss)		
Gain on change in fair value (“-” indicating loss)	<b>-27,035,713.82</b>	-28,183,985.51
Credit impairment losses (“-” indicating loss)	<b>-56,456.28</b>	-1,171,531.81
Assets impairment losses (“-” indicating loss)	<b>-1,629,603.92</b>	-493,735.87
Gains on disposal of assets (“-” indicating loss)	<b>-409,009.35</b>	-106,926.49
<b>2. Operating profit (“-” indicating loss)</b>	<b>255,169,998.95</b>	72,568,775.53
Add: Non-operating income	<b>1,043,700.16</b>	10,000.00
Less: Non-operating expenses	<b>1,361,792.50</b>	4,360,292.44
<b>3. Total profit (“-” indicating total loss)</b>	<b>254,851,906.61</b>	68,218,483.09
Less: Income tax expenses	<b>37,007,328.04</b>	11,015,386.99

Item	Amount of the current period	Amount of the previous period
<b>4. Net profit (“-” indicating net loss)</b>	<b>217,844,578.57</b>	57,203,096.10
(1) Net profit from continuing operations (“-” indicating net loss)	<b>217,844,578.57</b>	57,203,096.10
(2) Net profit from discontinued operations (“-” indicating net loss)		
<b>5. Other comprehensive income, net of tax</b>	<b>406,457.02</b>	
(i) Other comprehensive income that may not be reclassified to profit or loss		
1. Changes arising from remeasurement under defined benefit plan		
2. Other comprehensive income that may not be transferred to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(ii) Other comprehensive income that will be reclassified to profit or loss	<b>406,457.02</b>	
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Impairment allowance of other debt investments		
5. Cash flows hedging reserve	<b>406,457.02</b>	
6. Exchange difference on translation of foreign financial statements		
7. Others		
<b>6. Total comprehensive income</b>	<b>218,251,035.59</b>	57,203,096.10
<b>7. Earnings per share:</b>		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Statement of Cash Flows

Unit: RMB

Item	Amount of the current period	Amount of the previous period
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	<b>1,553,581,827.13</b>	1,055,538,495.91
Net increase in customers deposits, due to banks and other financial institutions		
Net increase in placements from the Central Bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposit from policyholders and investment		
Cash received from interests, fees, and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase agreements		
Net cash received from securities trading brokerage		
Refunds of taxes and surcharges	<b>58,624,233.55</b>	34,036,539.82
Other cash received relating to operating activities	<b>15,698,031.54</b>	61,625,336.72
Subtotal of cash inflow from operating activities	<b>1,627,904,092.22</b>	1,151,200,372.45
Cash paid for goods and services	<b>292,749,200.37</b>	183,516,868.19
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash paid for compensation pay-outs of original insurance contracts		
Net increase in placements with banks and other financial institution		
Cash paid for interest, fees, and commissions		
Cash paid for insurance dividends		
Cash paid to and on behalf of employees	<b>587,894,987.32</b>	474,161,986.58
Cash paid for taxes and surcharges	<b>36,110,950.78</b>	37,629,908.14
Other cash paid relating to operating activities	<b>212,195,192.70</b>	130,196,619.12
Subtotal of cash outflow from operating activities	<b>1,128,950,331.17</b>	825,505,382.03
<b>Net cash flow from operating activities</b>	<b>498,953,761.05</b>	325,694,990.42



Item	Amount of the current period	Amount of the previous period
<b>2. Cash flow from investing activities:</b>		
Cash received from disposal of investments	728,723,720.18	211,697,000.00
Cash received from return on investments	9,904,159.18	880,748.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	262,663.32	2,908,865.21
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	_____	_____
Sub-total of cash inflows from investing activities	<u>738,890,542.68</u>	<u>215,486,613.32</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	547,667,296.28	166,290,535.05
Cash paid to acquire investments	1,788,993,310.00	880,542,550.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities	7,040,972.00	
Other cash paid relating to investing activities	_____	<u>10,152,000.00</u>
Sub-total of cash outflows from investing activities	<u>2,343,701,578.28</u>	<u>1,056,985,085.05</u>
<b>Net cash flow from investing activities</b>	<b><u><u>-1,604,811,035.60</u></u></b>	<b><u><u>-841,498,471.73</u></u></b>

Item	Amount of the current period	Amount of the previous period
<b>3. Cash flow from financing activities:</b>		
Cash received from capital contributions		
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	<b>377,981,482.29</b>	
Cash received from borrowings		
Other cash received relating to financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	<b>377,981,482.29</b>	
	<hr/>	<hr/>
Cash paid for repayments of borrowings	<b>22,667,796.19</b>	726,147,296.21
Cash payment for distribution of dividends, profits or interest expenses	<b>8,826,144.90</b>	8,254,219.50
Including: Dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash paid relating to financing activities	<b>61,466,821.55</b>	31,501,501.03
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	<b>92,960,762.64</b>	765,903,016.74
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>285,020,719.65</b>	<b>-765,903,016.74</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>-3,608,956.15</b>	<b>-20,243,828.35</b>
	<hr/>	<hr/>
<b>5. Net increase in cash and cash equivalents</b>	<b>-824,445,511.05</b>	<b>-1,301,950,326.40</b>
Add: Period-beginning balance of cash and cash equivalents	<b>2,353,933,839.46</b>	4,442,218,224.31
	<hr/>	<hr/>
<b>6. Period-end balance of cash and cash equivalents</b>	<b>1,529,488,328.41</b>	<b>3,140,267,897.91</b>
	<hr/> <hr/>	<hr/> <hr/>

## 6. *Statement of Cash Flows of the Company*

	<i>Unit: RMB</i>	
<b>Item</b>	<b>Amount of the current period</b>	Amount of the previous period
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	<b>833,988,400.21</b>	892,276,221.17
Refunds of taxes and surcharges	<b>27,985,274.96</b>	15,066,857.19
Other cash received relating to operating activities	<b>898,568,816.52</b>	284,133,367.34
	<hr/>	<hr/>
Subtotal of cash inflow from operating activities	<b>1,760,542,491.69</b>	1,191,476,445.70
	<hr/>	<hr/>
Cash paid for goods and services	<b>171,826,007.82</b>	102,414,485.48
Cash paid to and on behalf of employees	<b>241,529,741.77</b>	259,999,697.18
Cash paid for taxes and surcharges	<b>26,730,005.13</b>	26,444,659.50
Other cash paid relating to operating activities	<b>1,812,510,039.77</b>	1,337,750,263.58
	<hr/>	<hr/>
Subtotal of cash outflow from operating activities	<b>2,252,595,794.49</b>	1,726,609,105.74
	<hr/>	<hr/>
<b>Net cash flow from operating activities</b>	<b>-492,053,302.80</b>	<b>-535,132,660.04</b>
	<hr/> <hr/>	<hr/> <hr/>

Item	Amount of the current period	Amount of the previous period
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investments	502,338,000.00	106,697,000.00
Cash received from return on investments	5,364,825.23	283,381.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	96,679.87	7,458.41
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	<u>507,799,505.10</u>	<u>106,987,840.28</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	71,819,721.28	36,698,049.96
Cash paid to acquire investments	518,000,000.00	659,000,000.00
Net cash paid to acquire subsidiaries and other business entities		
Other cash paid relating to investing activities		10,152,000.00
Sub-total of cash inflows from investing activities	<u>589,819,721.28</u>	<u>705,850,049.96</u>
<b>Net cash flows from investing activities</b>	<b><u><u>-82,020,216.18</u></u></b>	<b><u><u>-598,862,209.68</u></u></b>
<b>3. Cash flows from financing activities:</b>		
Cash received from capital contributions		
Cash received from borrowings	28,317,474.13	
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	<u>28,317,474.13</u>	
Cash paid for repayments of borrowings	15,264,560.89	517,544,134.11
Cash payment for distribution of dividends, profits or interest expenses	927,915.30	6,110,868.95
Other cash paid relating to financing activities	39,966,481.32	20,926,014.73
Sub-total of cash outflows from financing activities	<u>56,158,957.51</u>	<u>544,581,017.79</u>
<b>Net cash flows from financing activities</b>	<b><u><u>-27,841,483.38</u></u></b>	<b><u><u>-544,581,017.79</u></u></b>

Item	Amount of the current period	Amount of the previous period
4. Effect of foreign exchange rate changes on cash and cash equivalents	<u>-5,354,041.45</u>	<u>-20,602,763.43</u>
5. Net increase in cash and cash equivalents	-607,269,043.81	-1,699,178,650.94
Add: Period-beginning balance of cash and cash equivalents	<u>1,558,571,980.66</u>	<u>4,172,822,713.62</u>
6. Period-end balance of cash and cash equivalents	<u><u>951,302,936.85</u></u>	<u><u>2,473,644,062.68</u></u>

## II. Description of Financial Statement Adjustment

### 1. *Adjustment on the financial statements of the first year of adopting new revenue standards and new leasing standards since 2021*

Applicable  N/A

### 2. *Explanation of retrospective adjustment on comparative data of the first year of adopting new revenue standards and new leasing standards since 2021*

Applicable  N/A

## III. Audit Report

The 2021 First Quarterly Report of the Company has not been audited.

#### IV. Quarterly Condensed Consolidated Financial Statements Prepared in Accordance with IFRSs

##### 1. Consolidated Statement of Profit or Loss<sup>1</sup>

For the three months ended March 31, 2021

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	<b>1,489,385</b>	959,184
Cost of sales	<u>(975,224)</u>	<u>(642,597)</u>
<b>Gross profit</b>	<b>514,161</b>	316,587
Other income and gains	<b>34,603</b>	37,190
Other expenses	<b>(2,165)</b>	(29,275)
Selling and distribution expenses	<b>(32,063)</b>	(17,892)
Administrative expenses	<b>(196,526)</b>	(149,449)
Research and development costs	<b>(29,095)</b>	(20,949)
Impairment losses on financial and contract assets, net of reversal	<b>(215)</b>	(2,827)
Finance costs	<b>(5,871)</b>	(8,618)
Share of losses of associates	<u>(345)</u>	<u>(10,132)</u>
<b>Profit before tax</b>	<b>282,484</b>	114,635
Income tax expense	<u>(45,812)</u>	<u>(21,459)</u>
<b>Profit for the period</b>	<b><u>236,672</u></b>	<b><u>93,176</u></b>
<b>Attributable to:</b>		
Owners of the parent	<b>245,874</b>	101,518
Non-controlling interests	<u>(9,202)</u>	<u>(8,342)</u>
	<b><u>236,672</u></b>	<b><u>93,176</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic		
For profit for the period	<b><u>RMB0.3105</u></b>	<b><u>RMB0.1285</u></b>
Diluted		
For profit for the period	<b><u>RMB0.3096</u></b>	<b><u>RMB0.1282</u></b>

<sup>1</sup> Any discrepancies in data below between the total shown and the sum of the amounts listed are due to rounding.

## 2. Consolidated Statement of Financial Position<sup>2</sup>

March 31, 2021

	March 31, 2021 <i>RMB'000</i>	December 31, 2020 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	4,273,704	3,841,445
Right-of-use assets	522,569	567,630
Investment properties	–	43,889
Goodwill	1,172,594	1,166,172
Other intangible assets	261,126	189,976
Investments in associates	314,496	280,474
Equity investments at fair value through profit or loss	135,068	121,230
Deferred tax assets	11,439	8,436
Other non-current assets	1,005,920	149,162
	<hr/>	<hr/>
Total non-current assets	7,696,916	6,368,414
<b>CURRENT ASSETS</b>		
Inventories	139,217	128,757
Contract costs	179,583	152,860
Trade receivables	1,063,320	1,076,614
Contract assets	181,499	133,764
Prepayments, other receivables and other assets	240,683	196,020
Financial assets at fair value through profit or loss	994,811	825,312
Derivative financial instruments	55,014	84,698
Pledged deposits	9,510	7,263
Cash and cash equivalents	2,201,339	2,935,090
	<hr/>	<hr/>
Total current assets	5,064,976	5,540,378
<b>CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	399,237	386,146
Trade payables	220,329	191,497
Other payables and accruals	997,679	819,313
Contract liabilities	550,830	473,289
Lease liabilities	82,383	83,925
Derivative financial instruments	1,993	–
Tax payable	46,201	27,620
	<hr/>	<hr/>
Total current liabilities	2,298,652	1,981,790
	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>	2,766,324	3,558,588
	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>10,463,240</u>	<u>9,927,002</u>

	<b>March 31, 2021 RMB'000</b>	December 31, 2020 RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>730,253</b>	394,811
Deferred tax liabilities	<b>106,860</b>	106,906
Financial liabilities at fair value through profit or loss	<b>147,854</b>	146,810
Deferred income	<b>155,163</b>	158,128
Lease liabilities	<b>171,040</b>	186,608
	<hr/>	<hr/>
Total non-current liabilities	<b>1,311,170</b>	993,263
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>9,152,070</b>	8,933,739
	<hr/>	<hr/>
<b>EQUITY</b>		
Share capital	<b>794,387</b>	794,387
Treasury shares	<b>(82,085)</b>	(45,475)
Reserves	<b>8,385,014</b>	8,121,407
	<hr/>	<hr/>
<b>Equity attributable to owners of the parent</b>	<b>9,097,316</b>	8,870,319
	<hr/>	<hr/>
Non-controlling interests	<b>54,754</b>	63,420
	<hr/>	<hr/>
<b>Total equity</b>	<b>9,152,070</b>	8,933,739
	<hr/>	<hr/>

<sup>2</sup> Any discrepancies in data below between the total shown and the sum of the amounts listed are due to rounding.

### **3. *Non-IFRSs adjusted net profit for the period attributable to owners of the parent***

To supplement the financial statements prepared by us, we use non-IFRSs adjusted net profit attributable to owners of the parent as an additional financial measure. We define non-IFRSs adjusted net profit attributable to owners of the parent as net profit before certain expenses/ (gains) as set out in the table below.

The Company believes that the consideration of the non-IFRSs adjusted net profit attributable to owners of the parent by eliminating the impact of certain incidental, non-cash or non-operating items is useful for better understanding and assessing underlying business performance and operating trends for the Company's management, shareholders and potential investors.



The non-IFRSs adjusted net profit attributable to owners of the parent is not an alternative to (i) profit before tax or net profit (as determined in accordance with IFRSs) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to satisfy our cash needs, or (iii) any other measures of performance or liquidity. In addition, the presentation of the non-IFRSs adjusted net profit attributable to owners of the parent is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRSs. Shareholders and potential investors should not view the non-IFRSs adjusted net profit attributable to owners of the parent on a stand-alone basis or as a substitute for results under the IFRSs, or as being comparable to results reported or forecasted by other companies.

	<b>Three months ended March 31,</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit attributable to owners of the parent</b>	<u><b>245,874</b></u>	<u>101,518</u>
Add:		
Share-based compensation expenses	<b>11,870</b>	13,644
Foreign exchange related gains or losses	<b>(10,198)</b>	(5,150)
Gains or losses on derivative financial instruments related to foreign exchange	<u><b>(1,855)</b></u>	<u>20,943</u>
<b>Non-IFRSs net profit attributable to owners of the parent</b>	<u><b>245,691</b></u>	<u>130,955</u>
Add:		
Realized and unrealized gains or losses from equity investments	<u><b>16,202</b></u>	<u>10,132</u>
<b>Non-IFRSs adjusted net profit attributable to owners of the parent</b>	<u><u><b>261,893</b></u></u>	<u><u>141,087</u></u>