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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)

2022 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 2022 of the Company. The financial data contained in this quarterly report is, except for section (IV) in Part III 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 2022 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, 2022

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**

2022 FIRST QUARTERLY REPORT

April 2022

IMPORTANT NOTICE:

- 1. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management warrant the truthfulness, accuracy and completeness of the Quarterly Report and that there are no false information, misleading statements or material omissions in the Quarterly Report, and shall assume joint and several legal responsibility.**

- 2. The person in charge of the Company, 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 information contained in the Quarterly Report.**

- 3. Whether the First Quarterly Report has been audited**
 Yes No

I. MAJOR FINANCIAL DATA

(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) of the reporting period as compared with the corresponding period of the previous year
Revenue (<i>RMB</i>)	2,102,899,933.93	1,489,385,309.64	41.19%
Net profit attributable to owners of the parent (<i>RMB</i>)	249,086,573.60	245,874,010.35	1.31%
Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>RMB</i>)	310,563,849.47	237,376,010.22	30.83%
Net cash flows from operating activities (<i>RMB</i>)	417,792,056.81	498,953,761.05	-16.27%
Basic earnings per share (<i>RMB/share</i>)	0.3154	0.3105	1.58%
Diluted earnings per share (<i>RMB/share</i>)	0.3149	0.3096	1.71%
Return on net assets on weighted average basis	2.46%	2.73%	-0.27%
			Increase/ (decrease) at the end of the reporting period as compared with the end of the previous year
	As at the end of the reporting period	As at the end of the previous year	
Total assets (<i>RMB</i>)	18,660,920,785.51	18,389,124,353.35	1.48%
Net assets attributable to owners of the parent (<i>RMB</i>)	10,204,814,140.82	10,129,240,934.77	0.75%

Revenue from principal operations, cost and gross profit margin for the first quarter of 2022 as well as their period-on-period changes are as follows:

Unit: RMB

By products or services	The reporting period			The corresponding period of the previous year			Increase/ (decrease) in revenue as compared with the corresponding period of the previous year
	Revenue	Cost	Gross profit margin	Revenue	Cost	Gross profit margin	
Laboratory services	1,317,161,171.07	763,936,449.99	42.00%	949,833,727.83	561,670,509.75	40.87%	38.67%
CMC (small molecule CDMO) services	461,518,057.85	329,312,091.11	28.65%	304,823,002.06	212,194,996.56	30.39%	51.41%
Clinical development services	265,326,829.33	252,990,435.32	4.65%	198,613,955.87	173,643,908.02	12.57%	33.59%
Biologics and CGT services	51,711,641.60	54,225,530.23	-4.86%	34,607,955.82	23,718,728.60	31.46%	49.42%

In the first quarter of 2022, gross profit of principal operations increased by 34.57% as compared with the corresponding period of the previous year. RMB appreciated in the reporting period. Should the weighted average USD exchange rate in the reporting period remains the same as the same period of last year, gross profit of principal operations increased by 38.84% as compared with the corresponding period of the previous year.

(II) Non-recurring gains or losses items and amounts

Applicable N/A

Unit: RMB

Item	The reporting period	Note
Gains or losses from disposal of non-current assets (including written-off portion of provisions for assets impairment)	-474,698.97	
Government grants included in profit/(loss) of the current period (except for those closely related to the Company's ordinary business and granted on an ongoing basis under the state's policies according to certain standard amount or volume)	9,391,153.38	It was mainly due to government subsidies related to daily activities that were received by the Company during the reporting period
Gains or losses on changes in fair value of arising from held-for-trading financial assets, held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, except effective hedging activities related to the Company's normal business operations	-64,473,325.68	Including: losses on changes in fair value of other non-current financial assets amounted to approximately RMB51,200,500 during the reporting period
Other non-operating income and expenses other than the above items	-4,286,427.43	
Less: Effect of income tax	1,320,957.21	
Impact on non-controlling interests (after tax)	313,019.96	
Total	<u>-61,477,275.87</u>	

Other specific circumstances of gains or losses items that meet the definition of non-recurring gains or losses:

Applicable N/A

The Company did not have other specific circumstances of gains or losses items that meet the definition of non-recurring gains or losses.

Description of non-recurring gains or losses items as illustrated in the Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses Items defined as recurring gains or losses items:

Applicable N/A

The Company did not list any non-recurring gains or losses items as illustrated in the Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses Items as recurring gain or loss items.

(III) Changes in major accounting data and financial indicators and the reasons thereof

√ Applicable □ N/A

Item	As at the end of the reporting period/amount of the current period	Balance at the beginning of the year/the corresponding period of the previous year	Percentage of changes	Reasons for changes
Revenue	2,102,899,933.93	1,489,385,309.64	41.19%	Revenue increased by 41.19% during the reporting period as compared with the corresponding period of the previous year, which was mainly due to the Company's overall development in good shape with ever-growing income.
Net profit attributable to owners of the parent excluding non-recurring gains or losses	310,563,849.47	237,376,010.22	30.83%	Net profit attributable to owners of the parent excluding non-recurring gains or losses increased by 30.83% during the reporting period as compared with the corresponding period of the previous year, which was mainly due to the further increase from economies of scale under the growth in revenue.
Other current assets	830,022,966.10	1,300,149,893.81	-36.16%	Other current assets decreased by RMB470,126,900 as compared with the balance at the beginning of the year, representing a decrease of 36.16%, which was mainly due to the decrease in wealth management products with a fixed interest rate included in other current assets.
Right-of-use assets	537,881,541.34	371,054,507.13	44.96%	Right-of-use assets increased by RMB166,827,000 as compared with the balance at the beginning of the year, representing an increase of 44.96%, which was mainly due to the increased properties under operating leases during the reporting period.
Deferred tax assets	22,663,829.60	15,595,147.09	45.33%	Deferred tax assets increased by RMB7,068,700 as compared with the balance at the beginning of the year, representing an increase of 45.33%, which was mainly due to the increase in the deferred tax assets related to the deductible loss during the reporting period.
Other non-current assets	297,542,707.23	195,992,644.21	51.81%	Other non-current assets increased by RMB101,550,100 as compared with the balance at the beginning of the year, representing an increase of 51.81%, which was mainly due to the increase in prepayments for equipment.

Item	As at the end of the reporting period/amount of the current period	Balance at the beginning of the year/the corresponding period of the previous year	Percentage of changes	Reasons for changes
Lease liabilities	417,986,444.93	284,337,633.19	47.00%	Lease liabilities increased by RMB133,648,800 as compared with the balance at the beginning of the year, representing an increase of 47.00%, which was mainly due to the increase in lease liabilities as a result of the increased properties under operating lease during the reporting period.
Treasury shares	437,007,838.02	301,825,056.19	44.79%	Treasury shares increased by RMB135,182,800 as compared with the balance at the beginning of the year, representing an increase of 44.79%, which was mainly due to the purchase of H Shares in accordance with the First H Share Award and Trust Scheme.
Other comprehensive income	-179,367,934.70	-124,400,536.41	-44.19%	Other comprehensive income decreased by RMB54,967,400 as compared with the balance at the beginning of the year, representing a decrease of 44.19%, which was mainly due to changes in the exchange differences arising from translation of foreign currency financial statements during the reporting period.
Cost	1,407,271,726.88	972,067,265.31	44.77%	In line with the increased revenue, the cost during the reporting period increased by 44.77% on a period-on-period basis.
Taxes and surcharges	13,861,572.56	8,819,159.59	57.18%	It was mainly due to the increase in property tax and stamp duty during the reporting period on a period-on-period basis.
Selling expenses	46,824,384.82	32,063,194.79	46.04%	In line with the increased revenue, the selling expenses during the reporting period increased by 46.04% on a period-on-period basis.
Administrative expenses	290,519,778.50	188,364,617.42	54.23%	Administrative expenses increased by RMB102,155,200, representing an increase of 54.23% on a period-on-period basis during the reporting period, 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.

Item	As at the end of the reporting period/amount of the current period	Balance at the beginning of the year/the corresponding period of the previous year	Percentage of changes	Reasons for changes
Research and development costs	39,647,299.50	29,095,136.05	36.27%	Research and development costs increased by RMB10,552,200, representing an increase of 36.27% on a period-on-period basis during the reporting period, mainly due to the Company's enhanced efforts to improve research and development capabilities and technical expertise, and increased research and development spending.
Finance expenses	40,234,145.81	-12,697,228.00	416.87%	It was mainly due to the increase in interest expenses on a period-on-period basis.
Other income	8,991,153.38	18,418,994.27	-51.19%	It was due to the decrease in government subsidies related to daily activities received by the Company on a period-on-period basis.
Investment income	2,437,442.71	38,271,517.29	-93.63%	Investment income decreased by RMB35,834,100, representing a decrease of 93.63% on a period-on-period basis during the reporting period, mainly due to the decrease in investment income recognized by settlement of foreign currency forward contracts used for hedging against foreign exchange risks.
Gains on change in fair value	44,958,124.17	-42,576,727.51	205.59%	Gains on change in fair value increased by RMB87,534,900, representing an increase of 205.59% on a period-on-period basis during the reporting period, mainly due to the gains on change in fair value as a result of the increase in fair value of biological assets during the reporting period.
Credit impairment losses	2,293,993.82	-250,250.61	-1,016.68%	It was mainly due to the decrease in impairment losses on trade receivables during the reporting period on a period-on-period basis.
Assets impairment losses	-2,681,465.84	-2,010,980.86	33.34%	It was due to the increase in impairment losses on contract assets during the reporting period on a period-on-period basis.
Non-operating income	763,199.06	1,123,120.65	-32.05%	It was mainly due to the decrease in government subsidies related to non-daily activities received by the Company during the reporting period on a period-on-period basis.
Income tax expenses	79,226,971.10	45,811,849.63	72.94%	During the reporting period, the profit before tax increased, and the income tax expenses increased accordingly.

II. SHAREHOLDER INFORMATION

(I) Total 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	29,559	Total number of preferred shareholders whose voting rights have been reinstated as at the end of the reporting period (if any)	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, marked or frozen shares Status	Number
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信康成投資合夥企業(有限合夥))	Domestic non-state-owned legal person	18.68%	148,335,300	0		
HKSCC NOMINEES LIMITED	Overseas legal person	16.87%	133,999,593	0		
PHARMARON HOLDINGS LIMITED	Overseas legal person	12.29%	97,600,003	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	5.55%	44,110,213	0		
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	5.37%	42,609,392	0		
Mr. LOU Xiaoqiang (樓小強)	Domestic natural person	4.22%	33,500,000	25,125,000	Pledge	3,998,000
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	4.07%	32,347,682	0		
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信康成投資合夥企業(有限合夥))	Domestic non-state-owned legal person	3.57%	28,378,866	0		
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	2.71%	21,500,000	0	Pledge	10,741,000
Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司)	Domestic non-state-owned legal person	1.63%	12,923,103	0	Pledge	6,230,000

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

Unit: share

Name of shareholder	Number of shares not subject to trading restrictions	Class	Class of shares 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))	148,335,300	RMB-denominated	148,335,300
HKSCC NOMINEES LIMITED	133,999,593	Overseas listed foreign shares	133,999,593
PHARMARON HOLDINGS LIMITED	97,600,003	RMB-denominated ordinary shares	97,600,003
Hong Kong Securities Clearing Company Limited	44,110,213	RMB-denominated ordinary shares	44,110,213
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))	42,609,392	RMB-denominated ordinary shares	42,609,392
Industrial and Commercial Bank of China Limited – Central Europe 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)	32,347,682	RMB-denominated ordinary shares	32,347,682
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	28,378,866	RMB-denominated ordinary shares	28,378,866
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	21,500,000	RMB-denominated ordinary shares	21,500,000
Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司)	12,923,103	RMB-denominated ordinary shares	12,923,103
Mr. YU Yuejiang (郁岳江)	10,584,842	RMB-denominated ordinary shares	10,584,842

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 M&A Fund Management Co., Ltd. (中信併購基金管理有限公司).
2. 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 (樓柏良), 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

(II) Number of preferred shareholders and the shareholdings of top 10 preferred shareholders

□ Applicable √ N/A

(III) Change in shares subject to trading restrictions

√ Applicable □ N/A

Unit: share

Name of shareholders	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 restrictions
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	157,142,855	0	0	IPO shares subject to trading restrictions	January 28, 2022
Pharmaron Holdings Limited	97,600,003	97,600,003	0	0	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	28,494,266	0	0	IPO shares subject to trading restrictions	January 28, 2022
Mr. LOU Xiaoqiang (樓小強)	27,500,000	27,500,000	25,125,000	25,125,000	IPO shares subject to trading restrictions, locked shares held by the senior management	The IPO shares subject to trading restrictions have been released from trading restrictions on January 28, 2022; locked shares held by the senior management will be released from trading restrictions in accordance with relevant laws and regulations
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	27,500,000	27,500,000	0	0	IPO shares subject to trading restrictions	January 28, 2022

Name of shareholders	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 restrictions
Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司)	20,723,103	20,723,103	0	0	IPO shares subject to trading restrictions	January 28, 2022
Ms. ZHENG Bei (鄭北)	0	0	5,850,000	5,850,000	Locked shares held by the senior management	Released from trading restrictions in accordance with relevant laws and regulations
Xiamen Longtai Dingsheng Enterprise Management Partnership (Limited Partnership) (廈門龍泰鼎盛企業管理合夥企業(有限合夥))	2,923,079	2,923,079	0	0	IPO shares subject to trading restrictions	January 28, 2022
Xiamen Longtai Huisheng Enterprise Management Partnership (Limited Partnership) (廈門龍泰匯盛企業管理合夥企業(有限合夥))	2,923,079	2,923,079	0	0	IPO shares subject to trading restrictions	January 28, 2022
Xiamen Longtai Zhongsheng Enterprise Management Partnership (Limited Partnership) (廈門龍泰眾盛企業管理合夥企業(有限合夥))	2,923,079	2,923,079	0	0	IPO shares subject to trading restrictions	January 28, 2022
Holders of other shares subject to trading restrictions	7,688,448	5,330,762	0	2,357,686	IPO shares subject to trading restrictions, restricted share under the share incentive scheme	The IPO shares subject to trading restrictions have been released from trading restrictions on January 28, 2022; restricted share under the share incentive scheme will be released from trading restrictions by installments in accordance with the incentive scheme and the commitment of incentive participants
Total	375,417,912	373,060,226	30,975,000	33,332,686	–	–

III. OTHER SIGNIFICANT EVENTS

Applicable N/A

(I) Acquisition of 100% equity interests of Aesica Pharmaceuticals Limited

In January 2022, Pharmaron UK Limited, a wholly-owned subsidiary of the Company, completed the acquisition of 100% of equity interests in Aesica Pharmaceuticals Limited (now renamed as Pharmaron Manufacturing Services (UK) Ltd) located in Cramlington, U.K., for approximately GBP55,000,000 (approximately RMB473,352,000). The facility has a reactor volume of over 100 m³ and can provide cGMP API manufacturing services from pilot scale to commercial metric ton scale. The facility has been inspected and approved by a number of regulatory bodies, including the U.S.'s Food and Drug Administration (FDA) and U.K.'s Medicines and Healthcare products Regulatory Agency (MHRA). The acquisition will further enhance the overall capacity of the company's small molecule CDMO service platform. With our commercial production facility in Shaoxing together with the acquisition of Pharmaron Manufacturing Services (UK) Ltd, the Company will provide our customers with comprehensive, end-to-end API production services in China and U.K..

(II) Integration of the clinical research service segment

On May 27, 2021, the Company established Pharmaron (Chengdu) Clinical Services Co., Ltd. (康龍化成(成都)臨床研究服務有限公司) (hereinafter referred to as “**Pharmaron Clinical**”), and began to integrate the clinical development capabilities of its subsidiaries and departments through Pharmaron Clinical, to optimize the organizational structure of the expert and management teams. We have integrated clinical R&D services including clinical operations, clinical field management, data management and statistics, regulatory registration, medical affairs, quantitative pharmacology, subject recruitment, biological sample analysis, pharmacovigilance, and medical device services, and have built a fully-integrated clinical development services platform, so as to provide customers with higher quality, more comprehensive and more efficient integrated clinical development services. In February 2022, Pharmaron Clinical completed the integration of Enyuan Pharmaceutical Technology (Beijing) Co., Ltd. (恩遠醫藥科技(北京)有限公司), which became a wholly-owned subsidiary of Pharmaron Clinical, adding to the latter's capabilities in quantitative pharmacology.

(III) Overview of other significant events

Overview of events	Date of disclosure of interim announcements	Search index on the website disclosing the interim announcements
Fundraising for Beijing Junlian Huikang Equity Investment, Partnership (Limited Partnership) (北京君聯惠康股權投資合夥企業(有限合夥)), a company we invested in, completed	January 26, 2022	Announcement on the Progress of Participating in Private Equity Investment Fund & Related Transactions, disclosure website: HKExnews (https://www1.hkexnews.hk)
Acquisition of 100% shares of Beijing Anikepter Biotech Co., Ltd. (北京安凱毅博生物技術有限公司)	March 27, 2022	Connected Transaction Acquisition of 100% Equity Interest in Anikepter, disclosure website: HKExnews (https://www1.hkexnews.hk)
2022 A Share Incentive Scheme	March 27, 2022	(1) Proposed Adoption of the 2022 A Share Incentive Scheme and the Assessment Management Measures; (2) Proposed Issue and Grant of the New A Shares under the 2022 A Share Incentive Scheme Pursuant to Specific Mandate; and (3) Proposed Authorization to the Board to Handle Matters Pertaining to the 2022 A Share Incentive Scheme, disclosure website: HKExnews (https://www1.hkexnews.hk)

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.

March 31, 2022

Item	<i>Unit: RMB</i>	
	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and bank balances	2,913,716,299.44	3,543,819,700.44
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	1,431,492,158.18	1,554,621,127.96
Derivative financial assets		
Note receivables		
Trade receivables	1,285,554,130.77	1,228,848,978.96
Trade receivables financing		
Prepayments	24,558,177.52	24,951,799.15
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	122,254,369.95	116,089,700.47
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	788,649,249.27	680,039,960.57
Contract assets	249,957,590.79	194,980,966.61
Assets held for sale		
Non-current assets due within one year		
Other current assets	830,022,966.10	1,300,149,893.81
Total current assets	<u>7,646,204,942.02</u>	<u>8,643,502,127.97</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	578,344,074.37	452,605,787.20
Other investments in equity instruments		
Other non-current financial assets	263,057,969.37	310,063,085.12
Investment properties		
Fixed assets	4,690,631,682.72	3,922,573,233.42
Construction in progress	1,136,004,668.36	1,373,702,942.11
Productive biological assets	169,447,174.07	143,233,150.00
Oil & gas assets		
Right-of-use assets	537,881,541.34	371,054,507.13
Intangible assets	748,408,197.92	692,935,212.11
Development expenses		
Goodwill	2,363,930,556.42	2,096,265,134.71
Long-term deferred expenses	206,803,442.09	171,601,382.28
Deferred tax assets	22,663,829.60	15,595,147.09
Other non-current assets	297,542,707.23	195,992,644.21
Total non-current assets	<u>11,014,715,843.49</u>	<u>9,745,622,225.38</u>
Total assets	<u>18,660,920,785.51</u>	<u>18,389,124,353.35</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	413,444,337.10	421,756,516.12
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Note payables		
Trade payables	354,756,046.78	315,533,528.16
Advances from customers		
Contract liabilities	746,333,321.32	679,620,517.79
Financial assets sold for repurchase		
Customer and inter-bank deposits		
Deposit for securities trading brokerage		
Deposit for securities underwriting brokerage		
Employee benefits payables	546,539,585.97	528,463,397.37
Tax payables	125,537,785.49	114,191,568.73
Other payables	697,961,231.29	752,812,612.34
Including: Interests payables		
Dividend payables	1,361,638.91	1,361,638.91
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	186,259,374.24	155,836,844.06
Other current liabilities	15,660,312.22	13,781,638.46
Total current liabilities	<u>3,086,491,994.41</u>	<u>2,981,996,623.03</u>
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	893,389,827.68	956,095,015.68
Bond payables	3,486,585,569.82	3,467,090,042.68
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	417,986,444.93	284,337,633.19
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	146,548,855.02	149,439,159.51
Deferred tax liabilities	196,234,524.74	173,300,214.02
Other non-current liabilities	88,927,987.45	81,558,921.47
Total non-current liabilities	<u>5,229,673,209.64</u>	<u>5,111,820,986.55</u>
Total liabilities	<u>8,316,165,204.05</u>	<u>8,093,817,609.58</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Equity:		
Share capital	794,177,098.00	794,177,098.00
Other equity instruments	198,554,160.44	198,554,160.44
Including: Preferred shares		
Perpetual bonds		
Capital reserve	6,024,977,725.31	6,008,340,912.74
Less: Treasury shares	437,007,838.02	301,825,056.19
Other comprehensive income	-179,367,934.70	-124,400,536.41
Specific reserve		
Surplus reserve	332,619,373.85	332,619,373.85
General risk provision		
Retained earnings	3,470,861,555.94	3,221,774,982.34
Total equity attributable to the owners of the parent	10,204,814,140.82	10,129,240,934.77
Non-controlling interests	<u>139,941,440.64</u>	<u>166,065,809.00</u>
Total equity	<u>10,344,755,581.46</u>	<u>10,295,306,743.77</u>
Total liabilities and equity	<u>18,660,920,785.51</u>	<u>18,389,124,353.35</u>

Legal representative:
LOU Boliang

Chief Financial Officer:
LI Shing Chung Gilbert

Person in charge of
Accounting Department:
LI Shing Chung Gilbert

2. Consolidated Income Statement

Unit: RMB

Item	Amount of the current period	Amount of the previous period
1. Total revenue	2,102,899,933.93	1,489,385,309.64
Including: Revenue	2,102,899,933.93	1,489,385,309.64
Interest income		
Insurance premium earned		
Fee and commission income		
2. Total cost	1,838,358,908.07	1,217,712,145.16
Including: Cost	1,407,271,726.88	972,067,265.31
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	13,861,572.56	8,819,159.59
Selling expenses	46,824,384.82	32,063,194.79
Administrative expenses	290,519,778.50	188,364,617.42
Research and development costs	39,647,299.50	29,095,136.05
Finance expenses	40,234,145.81	-12,697,228.00
Including: Interest expenses	39,554,973.36	5,870,816.41
Interest income	12,530,219.56	9,699,906.23
Add: Other income	8,991,153.38	18,418,994.27
Investment income (“-” indicating loss)	2,437,442.71	38,271,517.29
Including: Income from investments in associates and joint ventures	-7,402,982.10	-344,610.97
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)	44,958,124.17	-42,576,727.51
Credit impairment losses (“-” indicating loss)	2,293,993.82	-250,250.61
Assets impairment losses (“-” indicating loss)	-2,681,465.84	-2,010,980.86
Gains on disposal of assets (“-” indicating loss)	-474,698.97	-432,352.79

Item	Amount of the current period	Amount of the previous period
3. Operating profit (“-” indicating loss)	320,065,575.13	283,093,364.27
Add: Non-operating income	763,199.06	1,123,120.65
Less: Non-operating expenses	4,649,626.49	1,732,571.25
4. Profit before tax (“-” indicating total loss)	316,179,147.70	282,483,913.67
Less: Income tax expenses	79,226,971.10	45,811,849.63
5. Net profit (“-” indicating net loss)	236,952,176.60	236,672,064.04
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	236,952,176.60	236,672,064.04
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent	249,086,573.60	245,874,010.35
2. Net profit attributable to non-controlling interests	-12,134,397.00	-9,201,946.31
6. Other comprehensive income, net of tax	-55,027,624.76	4,333,930.40
Other comprehensive income attributable to owners of the parent, net of tax	-54,967,398.29	4,289,849.56
(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		

Item	Amount of the current period	Amount of the previous period
(ii) Other comprehensive income that will be reclassified to profit or loss	-54,967,398.29	4,289,849.56
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	2,533,509.48	406,457.02
6. Exchange difference on translation of foreign financial statements	-57,500,907.77	3,883,392.54
7. Others		
Other comprehensive income attributable to the non-controlling interests, net of tax	-60,226.47	44,080.84
7. Total comprehensive income	181,924,551.84	241,005,994.44
Total comprehensive income attributable to owners of the parent	194,119,175.31	250,163,859.91
Total comprehensive income attributable to the non-controlling interests	-12,194,623.47	-9,157,865.47
8. Earnings per share:		
(i) Basic earnings per share	0.3154	0.3105
(ii) Diluted earnings per share	0.3149	0.3096

Legal representative:
LOU Boliang

Chief Financial Officer:
LI Shing Chung Gilbert

Person in charge of
Accounting Department:
LI Shing Chung Gilbert

3. Consolidated Statement of Cash Flows

Item	<i>Unit: RMB</i>	
	Amount of the current period	Amount of the previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,098,537,796.81	1,553,581,827.13
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	105,090,779.73	58,624,233.55
Other cash received relating to operating activities	17,662,222.42	15,698,031.54
Sub-total of cash inflow from operating activities	<u>2,221,290,798.96</u>	<u>1,627,904,092.22</u>
Cash paid for goods and services	473,474,152.83	292,749,200.37
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 institutions		
Cash paid for interest, fees and commissions		
Cash paid for insurance dividends		
Cash paid to and on behalf of employees	889,692,471.91	587,894,987.32
Cash paid for taxes and surcharges	119,216,262.60	36,110,950.78
Other cash paid relating to operating activities	321,115,854.81	212,195,192.70
Sub-total of cash outflow from operating activities	<u>1,803,498,742.15</u>	<u>1,128,950,331.17</u>
Net cash flow from operating activities	<u><u>417,792,056.81</u></u>	<u><u>498,953,761.05</u></u>

Item	Amount of the current period	Amount of the previous period
2. Cash flow from investing activities:		
Cash received from disposal of investments	2,296,285,069.70	728,723,720.18
Cash received from return on investments	24,229,978.18	9,904,159.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	846,987.58	262,663.32
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>2,321,362,035.46</u>	<u>738,890,542.68</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	673,311,927.27	547,667,296.28
Cash paid to acquire investments	1,597,962,236.79	1,788,993,310.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities	474,919,155.94	7,040,972.00
Other cash paid relating to investing activities	_____	_____
Sub-total of cash outflows from investing activities	<u>2,746,193,320.00</u>	<u>2,343,701,578.28</u>
Net cash flow from investing activities	<u><u>-424,831,284.54</u></u>	<u><u>-1,604,811,035.60</u></u>

Item	Amount of the current period	Amount of the previous period
3. Cash flow from financing activities:		
Cash received from capital contributions		
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries		
Cash received from borrowings	77,352,571.81	377,981,482.29
Other cash received relating to financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	77,352,571.81	377,981,482.29
	<hr/>	<hr/>
Cash paid for repayments of borrowings	148,808,175.04	22,667,796.19
Cash payment for distribution of dividends, profits or interest expenses	13,390,072.57	8,826,144.90
Including: Dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash paid relating to financing activities	213,264,273.81	61,466,821.55
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	375,462,521.42	92,960,762.64
	<hr/>	<hr/>
Net cash flows from financing activities	-298,109,949.61	285,020,719.65
	<hr/> <hr/>	<hr/> <hr/>
4. Effect of foreign exchange rate changes on cash and cash equivalents	-21,034,731.55	-3,608,956.15
	<hr/>	<hr/>
5. Net increase in cash and cash equivalents	-326,183,908.89	-824,445,511.05
Add: Period-beginning balance of cash and cash equivalents	2,769,709,458.55	2,353,933,839.46
	<hr/>	<hr/>
6. Period-end balance of cash and cash equivalents	2,443,525,549.66	1,529,488,328.41
	<hr/> <hr/>	<hr/> <hr/>

(II) Audit Report

Whether the First Quarterly Report has been audited

Yes No

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

(III) Quarterly Condensed Consolidated Financial Statements Prepared in Accordance with IFRSs

1. Consolidated Statement of Profit or Loss¹

For the three months ended March 31, 2022

	Three months ended March 31,	
	2022	2021
	RMB'000	RMB'000
REVENUE	2,102,900	1,489,385
Cost of sales	<u>(1,410,123)</u>	<u>(975,224)</u>
Gross profit	692,777	514,161
Other income and gains	141,556	34,603
Other expenses	(82,245)	(2,165)
Selling and distribution expenses	(46,824)	(32,063)
Administrative expenses	(303,591)	(196,526)
Research and development costs	(39,647)	(29,095)
Impairment losses on financial and contract assets, net of reversal	1,112	(215)
Finance costs	(39,555)	(5,871)
Share of loss of associates	<u>(7,403)</u>	<u>(345)</u>
Profit before tax	316,180	282,484
Income tax expense	<u>(79,227)</u>	<u>(45,812)</u>
Profit for the period	<u>236,953</u>	<u>236,672</u>
Attributable to:		
Owners of the parent	249,087	245,874
Non-controlling interests	<u>(12,134)</u>	<u>(9,202)</u>
	<u>236,953</u>	<u>236,672</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic		
For profit for the period	<u>RMB0.3154</u>	<u>RMB0.3105</u>
Diluted		
For profit for the period	<u>RMB0.3149</u>	<u>RMB0.3096</u>

1 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 Position²

March 31, 2022

	March 31, 2022 <i>RMB'000</i>	December 31, 2021 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	6,147,327	5,577,904
Right-of-use assets	891,686	726,800
Goodwill	2,363,931	2,096,265
Other intangible assets	280,716	227,163
Investments in associates	578,344	452,606
Equity investments at fair value through profit or loss	263,058	310,063
Biological assets	169,447	143,233
Deferred tax assets	22,664	15,595
Other non-current assets	297,543	195,993
	<hr/>	<hr/>
Total non-current assets	11,014,716	9,745,622
CURRENT ASSETS		
Inventories	250,185	181,700
Contract costs	150,703	165,625
Trade receivables	1,285,554	1,228,849
Contract assets	249,957	194,981
Biological assets	387,762	332,715
Prepayments, other receivables, and other assets	976,835	1,441,191
Financial assets at fair value through profit or loss	1,405,239	1,537,947
Derivative financial instruments	26,253	16,674
Pledged deposits	40,224	17,243
Cash and cash equivalents	2,873,493	3,526,577
	<hr/>	<hr/>
Total current assets	7,646,205	8,643,502
CURRENT LIABILITIES		
Interest-bearing bank borrowings	471,556	482,302
Trade payables	354,756	315,534
Other payables and accruals	1,311,344	1,327,910
Contract liabilities	746,333	679,621
Lease liabilities	128,148	95,292
Tax payable	74,355	81,337
	<hr/>	<hr/>
Total current liabilities	3,086,492	2,981,996
NET CURRENT ASSETS	<hr/> 4,559,713	<hr/> 5,661,506
TOTAL ASSETS LESS CURRENT LIABILITIES	<hr/> 15,574,429	<hr/> 15,407,128

	March 31, 2022 RMB'000	December 31, 2021 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	893,390	956,095
Deferred tax liabilities	196,234	173,300
Financial liabilities at fair value through profit or loss	88,928	81,559
Deferred income	146,549	149,439
Convertible bonds-debt component	3,486,586	3,467,090
Lease liabilities	417,986	284,338
	<hr/>	<hr/>
Total non-current liabilities	5,229,673	5,111,821
	<hr/>	<hr/>
NET ASSETS	10,344,756	10,295,307
	<hr/>	<hr/>
EQUITY		
Share capital	794,177	794,177
Treasury shares	(437,008)	(301,825)
Equity component of convertible bonds	198,554	198,554
Reserves	9,649,091	9,438,335
	<hr/>	<hr/>
Equity attributable to owners of the parent	10,204,814	10,129,241
	<hr/>	<hr/>
Non-controlling interests	139,942	166,066
	<hr/>	<hr/>
Total equity	10,344,756	10,295,307
	<hr/>	<hr/>

2 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.

	Three months ended March 31	
	2022	2021
	RMB'000	RMB'000
Profit attributable to owners of the parent	249,087	245,874
Add:		
Share-based compensation expenses	15,877	11,870
Interest and issuance expense on convertible bonds	27,001	
Losses on fair value change of convertible bonds-embedded derivative component	7,369	
Foreign exchange related losses/(gains)	6,306	(12,053)
Non-IFRS net profit attributable to owners of the parent	305,640	245,691
Add:		
Realized and unrealized gains or losses from equity investments	58,756	16,202
Non-IFRS adjusted net profit attributable to owners of the parent	364,396	261,893

In the first quarter of 2022, non-IFRS adjusted net profit attributable to owners of the parent increased by 39.1% as compared with the corresponding period of the previous year. RMB appreciated in the reporting period. Should the weighted average USD exchange rate in the reporting period remains the same as the same period of last year, non-IFRS adjusted net profit attributable to owners of the parent increased by 46.2% as compared with the corresponding period of the previous year.