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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 THIRD 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 third 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 third 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

October 27, 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; Ms. Li Lihua, Mr. Zhou Qilin, 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 THIRD QUARTERLY REPORT

October 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 Third 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	Increase/(decrease) of the reporting period as compared with the corresponding period of the previous year	From the beginning of the year to the end of the reporting period	Increase/(decrease) from the beginning of the year to the end of the reporting period as compared with the corresponding period of the previous year
Revenue (<i>RMB</i>)	2,768,208,563.01	37.31%	7,402,793,998.96	39.63%
Net profit attributable to owners of the parent (<i>RMB</i>)	375,674,760.35	-20.95%	961,107,133.20	-7.59%
Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>RMB</i>)	377,837,497.51	8.79%	1,057,578,022.11	13.62%
Non-IFRS adjusted net profit attributable to owners of the parent (<i>RMB</i>)	515,754,241.63	30.08%	1,327,861,088.34	26.72%
Net cash flows from operating activities (<i>RMB</i>)			1,395,070,031.14	-1.46%
Basic earnings per share (<i>RMB/share</i>) (<i>Note 1</i>)	0.3171	-20.71%	0.8118	-7.27%
Diluted earnings per share (<i>RMB/share</i>) (<i>Note 1</i>)	0.3170	-20.61%	0.8111	-7.15%
Return on net assets on weighted average basis	3.63%	-1.35%	9.28%	-1.90%
				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>)		19,706,904,963.16	18,389,124,353.35	7.17%
Net assets attributable to owners of the parent (<i>RMB</i>)		10,401,703,789.08	10,129,240,934.77	2.69%

Note 1: The general meeting of the Company approved the Profit Distribution Plan for 2021 which included the issuance of capitalization shares on the basis of 5 capitalization shares for every existing 10 shares of the Company by way of capitalization of reserve. The Company has calculated the basic earnings per share and diluted earnings per share for the reporting period and the period from the beginning of the year to the end of the reporting period based on the number of shares outstanding after the completion of such capitalization of reserve and the basic earnings per share and diluted earnings per share for the same period of last year was restated accordingly.

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

Unit: RMB

By products or services	From the beginning of the year to the end of 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	4,577,029,894.90	2,530,472,052.37	44.71%	3,301,655,452.35	1,861,116,467.22	43.63%	38.63%
CMC (small molecule CDMO) services	1,679,603,984.80	1,101,327,949.46	34.43%	1,223,506,278.42	793,112,343.07	35.18%	37.28%
Clinical development services	982,317,118.97	882,254,135.51	10.19%	664,831,034.16	581,031,417.83	12.60%	47.75%
Biologics and CGT services	142,360,358.78	173,898,350.70	-22.15%	109,400,027.12	126,447,682.27	-15.58%	30.13%

The gross profit margin of principal operations in the first three quarters of 2022 was 36.49%, compared with 36.56% in 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	From the beginning of the year to the end of the reporting period	Note
Gains or losses from disposal of non-current assets (including written-off portion of provisions for assets impairment)	-1,174,824.57	-1,341,419.18	
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)	11,466,691.04	27,025,963.38	It was mainly due to government subsidies related to daily activities that were received by the Company from the beginning of the year to the end of 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	-431,472.51	-101,838,970.91	Including: losses on change in fair value of other non-current financial assets from the beginning of the year to the end of the reporting period amounted to approximately RMB80,027,400.
Other non-operating income and expenses other than the above items	-9,550,771.14	-16,224,821.78	
Less: Effect of income tax	2,265,158.76	3,634,618.62	
Impact on non-controlling interests (after tax)	207,201.22	457,021.80	
Total	<u>-2,162,737.16</u>	<u>-96,470,888.91</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/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Revenue	7,402,793,998.96	5,301,532,904.44	39.63%	Revenue increased by 39.63% on a period-on-period basis from the beginning of the year to the end of the reporting period, mainly due to the Company's overall development in good shape with ever-growing income.
Cash and bank balances	2,042,501,533.84	3,543,819,700.44	-42.36%	Cash and bank balances decreased by RMB1,501,318,200 as compared with the balance at the beginning of the year, representing a decrease of 42.36%, including: cash and cash equivalents decreased by RMB1,077,797,700. For details, please refer to the consolidated statement of cash flows from the beginning of the year to the end of the reporting period.
Held-for-trading financial assets	698,212,743.45	1,554,621,127.96	-55.09%	Held-for-trading financial assets decreased by RMB856,408,400 as compared with the balance at the beginning of the year, representing a decrease of 55.09%, which was mainly due to the redemption of medium-risk and low-risk wealth management products during the reporting period.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Trade receivables	1,801,131,504.80	1,228,848,978.96	46.57%	Trade receivables increased by RMB572,282,500 as compared with the balance at the beginning of the year, representing an increase of 46.57%, which was mainly due to the significant increase in the revenue during the reporting period.
Prepayments	54,198,129.39	24,951,799.15	117.21%	Prepayments increased by RMB29,246,300 as compared with the balance at the beginning of the year, representing an increase of 117.21%, which was mainly due to the increase in prepayments for purchases of raw material.
Inventories	1,017,870,215.01	680,039,960.57	49.68%	Inventories increased by RMB337,830,300 as compared with the balance at the beginning of the year, representing an increase of 49.68%, which was mainly due to the increase in raw materials reserved based on our business demand during the reporting period. Meanwhile, the fair value of consumable biological assets also increased.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Contract assets	326,882,435.97	194,980,966.61	67.65%	Contract assets increased by RMB131,901,500 as compared with the balance at the beginning of the year, representing an increase of 67.65%, which was mainly due to the growing business scale.
Other current assets	562,945,276.49	1,300,149,893.81	-56.70%	Other current assets decreased by RMB737,204,600 as compared with the balance at the beginning of the year, representing a decrease of 56.70%, which was mainly due to the recovery of matured wealth management products with a fixed interest rate included in other current assets.
Debt investments	141,996,000.00	0.00	N/A	Debt investments are the notes with a fixed interest rate which were purchased during the reporting period.
Long-term equity investments	660,985,449.94	452,605,787.20	46.04%	Long-term equity investments increased by RMB208,379,700 as compared with the balance at the beginning of the year, representing an increase of 46.04%, which was mainly due to the capital increase in AccuGen Group and Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership) (寧波康君仲元股權投資合夥企業(有限合夥)) during the reporting period.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Fixed assets	5,319,531,794.33	3,922,573,233.42	35.61%	Fixed assets increased by RMB1,396,958,600 as compared with the balance at the beginning of the year, representing an increase of 35.61%, which was mainly due to the purchase and transfer from construction in progress during the reporting period.
Productive biological assets	199,133,666.11	143,233,150.00	39.03%	Productive biological assets increased by RMB55,900,500 as compared with the balance at the beginning of the year, representing an increase of 39.03%, which was mainly due to the increase in fair value during the reporting period.
Right-of-use assets	807,532,382.26	371,054,507.13	117.63%	Right-of-use assets increased by RMB436,477,900 as compared with the balance at the beginning of the year, representing an increase of 117.63%, which was mainly due to the increased properties under operating leases during the reporting period.
Long-term deferred expenses	362,837,445.30	171,601,382.28	111.44%	Long-term deferred expenses increased by RMB191,236,100 as compared with the balance at the beginning of the year, representing an increase of 111.44%, which was mainly due to the increase in expenses for improvement of leased-in properties during the reporting period.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Deferred tax assets	44,901,316.51	15,595,147.09	187.92%	Deferred tax assets increased by RMB29,306,200 as compared with the balance at the beginning of the year, representing an increase of 187.92%, which was mainly due to the increase in the deferred tax assets related to the deductible loss.
Other non-current assets	442,282,288.97	195,992,644.21	125.66%	Other non-current assets increased by RMB246,289,600 as compared with the balance at the beginning of the year, representing an increase of 125.66%, which was mainly due to the increase in prepayments for equipment.
Held-for-trading financial liabilities	106,433,302.21	0.00	N/A	It was due to the decrease in fair value of the cash flow hedging instrument during the reporting period.
Trade payables	465,095,185.20	315,533,528.16	47.40%	Trade payables increased by RMB149,561,700 as compared with the balance at the beginning of the year, representing an increase of 47.40%, which was mainly due to the significant increase in the payments for purchase of raw materials.
Tax payables	200,804,398.71	114,191,568.73	75.85%	Tax payables increased by RMB86,612,800 as compared with the balance at the beginning of the year, representing an increase of 75.85%, which was mainly due to the increase in the income tax payable compared with the balance at the beginning of the year.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Non-current liabilities due within one year	236,662,211.70	155,836,844.06	51.87%	Non-current liabilities due within one year increased by RMB80,825,400 as compared with the balance at the beginning of the year, representing an increase of 51.87%, which was mainly due to the increase in long-term borrowings due within one year and lease liabilities due within one year during the reporting period.
Other current liabilities	20,277,899.10	13,781,638.46	47.14%	Other current liabilities increased by RMB6,496,300 as compared with the balance at the beginning of the year, representing an increase of 47.14%, which was mainly due to the increase in the output tax to be transferred.
Lease liabilities	627,506,422.64	284,337,633.19	120.69%	Lease liabilities increased by RMB343,168,800 as compared with the balance at the beginning of the year, representing an increase of 120.69%, which was mainly due to the increase in lease liabilities as a result of the increased properties under operating lease during the reporting period.
Share capital	1,191,067,629.00	794,177,098.00	49.98%	Share capital increased by RMB396,890,500 as compared with the balance at the beginning of the year, representing an increase of 49.98%, which was mainly due to the conversion of capital reserve into share capital by the Company.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Treasury shares	668,037,563.30	301,825,056.19	121.33%	Treasury shares increased by RMB366,212,500 as compared with the balance at the beginning of the year, representing an increase of 121.33%, which was mainly due to the purchase of H Shares for share incentive purposes in accordance with the First H Share Award and Trust Scheme.
Other comprehensive income	-167,592,661.14	-124,400,536.41	-34.72%	Other comprehensive income decreased by RMB43,192,100 as compared with the balance at the beginning of the year, representing a decrease of 34.72%, which was mainly due to the decrease of cash flow hedging reserve.
Cost	4,701,717,656.76	3,362,990,019.03	39.81%	In line with the increased revenue, the cost from the beginning of the year to the end of the reporting period increased by 39.81% on a period-on-period basis.
Taxes and surcharges	49,098,683.67	32,743,189.82	49.95%	It was mainly due to the increase in property tax, urban construction tax and education surcharge from the beginning of the year to the end of the reporting period.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Selling expenses	163,039,241.44	104,381,393.02	56.20%	In line with the increased revenue, the selling expenses from the beginning of the year to the end of the reporting period increased by 56.20% on a period-on-period basis.
Administrative expenses	1,036,265,811.81	598,348,091.85	73.19%	Administrative expenses increased by RMB437,917,700, representing an increase of 73.19% on a period-on-period basis from the beginning of the year to the end of 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. Meanwhile the company acquired several companies during the reporting period and administrative expenses also increased accordingly.
Research and development costs	177,468,493.98	109,851,832.35	61.55%	Research and development costs increased by RMB67,616,700, representing an increase of 61.55% 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	161,865,447.67	11,706,694.10	1,282.67%	It was mainly due to the significant increase in interest expenses and losses from foreign exchange.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Investment income	19,276,128.29	135,714,820.76	-85.80%	Investment income decreased by RMB116,438,700, representing a decrease of 85.80% on a period-on-period basis from the beginning of the year to the end of 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	77,494,175.16	-33,921,543.15	328.45%	Gains on change in fair value increased by RMB111,415,700, representing an increase of 328.45% on a period-on-period basis from the beginning of the year to the end of 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.
Credit impairment losses	-8,795,751.36	-5,161,897.48	70.40%	It was due to the increase in impairment losses on trade receivables from the beginning of the year to the end of the reporting period.
Assets impairment losses	-3,303,137.96	-1,480,290.23	123.14%	It was due to the period-on-period increase in impairment losses on inventories and contract assets from the beginning of the year to the end of the reporting period.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Non-operating expenses	17,687,425.20	5,503,493.29	221.39%	It was due to an increase in external charitable donation expenditure and losses arising from the disposal of biological assets from the beginning of the year to the end of the reporting period.
Income tax expenses	263,291,545.64	198,639,330.33	32.55%	From the beginning of the year to the end of the reporting period, the income tax expenses increased due to an increase in total taxable profit.

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	34,592	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
HKSCC NOMINEES LIMITED	Overseas legal person	16.88%	200,999,693	0		
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	16.79%	199,985,359	0		
PHARMARON HOLDINGS LIMITED	Overseas legal person	11.45%	136,398,400	0		
Hong Kong Securities Clearing Company Limited	Overseas legal person	5.39%	64,251,628	0		
Mr. LOU Xiaoqiang (樓小強)	Domestic natural person	4.22%	50,250,000	37,687,500	Pledge	13,607,000
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	4.21%	50,185,588	0		
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%	48,511,773	0		
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信龍成投資合夥企業(有限合夥))	Domestic non-state-owned legal person	3.48%	41,397,249	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%	32,250,000	0	Pledge	14,566,500
Beijing Duotai Investment Management Co., Ltd. (北京多泰諮詢管理有限公司)	Domestic non-state-owned legal person	1.63%	19,384,655	0	Pledge	8,600,000

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
HKSCC NOMINEES LIMITED	200,999,693		Oversea-listed foreign shares	200,999,693
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥))	199,985,359		RMB-denominated ordinary shares	199,985,359
PHARMARON HOLDINGS LIMITED	136,398,400		RMB-denominated ordinary shares	136,398,400
Hong Kong Securities Clearing Company Limited	64,251,628		RMB-denominated ordinary shares	64,251,628
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))	50,185,588		RMB-denominated ordinary shares	50,185,588
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)	48,511,773		RMB-denominated ordinary shares	48,511,773
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	41,397,249		RMB-denominated ordinary shares	41,397,249
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	32,250,000		RMB-denominated ordinary shares	32,250,000
Beijing Duotai Investment Management Co., Ltd. (北京多泰諮詢管理有限公司)	19,384,655		RMB-denominated ordinary shares	19,384,655
Mr. YU Yuejiang (郁岳江)	15,217,463		RMB-denominated ordinary shares	15,217,463
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 (中信併購基金).		
	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. (北京多泰諮詢管理有限公司), and Dr. LOU Boliang (樓柏良), Mr. LOU Xiaoqiang (樓小強)'s brother, is the director of Pharmaron Holdings Limited.		
Description of securities margin trading business by top 10 shareholders (if any)	The top 10 shareholders of the Company have no connected relationship other than those set forth above. 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

III. OTHER SIGNIFICANT EVENTS

Applicable N/A

Overview of other significant events

Overview of events	Date of disclosure of interim announcements	Search index on the website disclosing the interim announcements
Progress of 2021 A Share Incentive Scheme	July 29, 2022	Announcement on the Adjustment to Grant Price and Grant Number under the 2021 Restricted A Share Incentive Scheme, Announcement on the Fulfilment of Conditions for Vesting within the First Vesting Period and Temporary Non-listing with Respect to The First Grant under the 2021 Restricted A Share Incentive Scheme, Announcement on the Cancellation of Certain Restricted Shares Granted but Not Yet Vested under the Company's 2021 Restricted A Share Incentive Scheme, disclosure website: HKExnews (https://www1.hkexnews.hk)
Progress of 2022 A Share Incentive Scheme	July 29, 2022	Announcement on the Adjustment to Grant Price and Grant Number under the 2022 Restricted A Share Incentive Scheme, Announcement on Granting Restricted Stocks to Incentives Participants, Announcement on the List of Incentive Participants under the 2022 Restricted A Share Incentive Scheme (Date of Grant), disclosure website: HKExnews (https://www1.hkexnews.hk)
By-election of Independent Non-executive Directors of the Second Session of the Board	August 30, 2022	Announcement on the Nomination and By-election of Independent Non-executive Directors of the Second Session of the Board of the Company by the Board, disclosure website: HKExnews (https://www1.hkexnews.hk)
	September 23, 2022	Announcement on the Resolutions of 2022 Second Extraordinary General Meeting, Announcement on the Completion of the By-election of Independent Non-executive Directors of the Second Session of the Board, disclosure website: HKExnews (https://www1.hkexnews.hk)

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.
September 30, 2022

Unit: RMB

Item	September 30, 2022	January 1, 2022
Current assets:		
Cash and bank balances	2,042,501,533.84	3,543,819,700.44
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	698,212,743.45	1,554,621,127.96
Derivative financial assets		
Note receivables		
Trade receivables	1,801,131,504.80	1,228,848,978.96
Trade receivables financing		
Prepayments	54,198,129.39	24,951,799.15
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	147,462,016.32	116,089,700.47
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	1,017,870,215.01	680,039,960.57
Contract assets	326,882,435.97	194,980,966.61
Assets held for sale		
Non-current assets due within one year	1,609,288.02	
Other current assets	562,945,276.49	1,300,149,893.81
Total current assets	6,652,813,143.29	8,643,502,127.97

Item	September 30, 2022	January 1, 2022
Non-current assets:		
Disbursement of loans and advances		
Debt investments	141,996,000.00	
Other debt investments		
Long-term receivables		
Long-term equity investments	660,985,449.94	452,605,787.20
Other investments in equity instruments		
Other non-current financial assets	260,728,786.83	310,063,085.12
Investment properties		
Fixed assets	5,319,531,794.33	3,922,573,233.42
Construction in progress	1,528,190,101.05	1,373,702,942.11
Productive biological assets	199,133,666.11	143,233,150.00
Oil & gas assets		
Right-of-use assets	807,532,382.26	371,054,507.13
Intangible assets	723,007,068.74	692,935,212.11
Development expenses		
Goodwill	2,562,965,519.83	2,096,265,134.71
Long-term deferred expenses	362,837,445.30	171,601,382.28
Deferred tax assets	44,901,316.51	15,595,147.09
Other non-current assets	442,282,288.97	195,992,644.21
	<hr/>	<hr/>
Total non-current assets	13,054,091,819.87	9,745,622,225.38
	<hr/> <hr/>	<hr/> <hr/>
Total assets	19,706,904,963.16	18,389,124,353.35
	<hr/> <hr/>	<hr/> <hr/>

Item	September 30, 2022	January 1, 2022
Current liabilities:		
Short-term borrowings	400,786,363.37	421,756,516.12
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities	106,433,302.21	
Derivative financial liabilities		
Note payables		
Trade payables	465,095,185.20	315,533,528.16
Advances from customers		
Contract liabilities	848,813,504.07	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	566,435,891.82	528,463,397.37
Tax payables	200,804,398.71	114,191,568.73
Other payables	801,092,337.57	752,812,612.34
Including: Interests payables		
Dividend payables	1,862,416.91	1,361,638.91
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	236,662,211.70	155,836,844.06
Other current liabilities	20,277,899.10	13,781,638.46
Total current liabilities	3,646,401,093.75	2,981,996,623.03
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	692,341,109.88	956,095,015.68
Bond payables	3,749,808,830.58	3,467,090,042.68
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	627,506,422.64	284,337,633.19
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	155,216,462.02	149,439,159.51
Deferred tax liabilities	192,740,478.37	173,300,214.02
Other non-current liabilities	101,727,337.59	81,558,921.47
Total non-current liabilities	5,519,340,641.08	5,111,820,986.55
Total liabilities	9,165,741,734.83	8,093,817,609.58

Item	September 30, 2022	January 1, 2022
Equity:		
Share capital	1,191,067,629.00	794,177,098.00
Other equity instruments	198,554,160.44	198,554,160.44
Including: Preferred shares		
Perpetual bonds		
Capital reserve	5,687,404,357.14	6,008,340,912.74
Less: Treasury shares	668,037,563.30	301,825,056.19
Other comprehensive income	-167,592,661.14	-124,400,536.41
Specific reserve		
Surplus reserve	332,619,373.85	332,619,373.85
General risk provision		
Retained earnings	3,827,688,493.09	3,221,774,982.34
Total equity attributable to the owners of the parent	10,401,703,789.08	10,129,240,934.77
Non-controlling interests	139,459,439.25	166,065,809.00
	<u>10,541,163,228.33</u>	<u>10,295,306,743.77</u>
Total equity	<u>10,541,163,228.33</u>	<u>10,295,306,743.77</u>
	<u>19,706,904,963.16</u>	<u>18,389,124,353.35</u>
Total liabilities and equity	<u>19,706,904,963.16</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 from the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount of the current period	Amount of the previous period
1. Total revenue	7,402,793,998.96	5,301,532,904.44
Including: Revenue	7,402,793,998.96	5,301,532,904.44
Interest income		
Insurance premium earned		
Fee and commission income		
2. Total cost	6,289,455,335.33	4,220,021,220.17
Including: Cost	4,701,717,656.76	3,362,990,019.03
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	49,098,683.67	32,743,189.82
Selling expenses	163,039,241.44	104,381,393.02
Administrative expenses	1,036,265,811.81	598,348,091.85
Research and development costs	177,468,493.98	109,851,832.35
Finance expenses	161,865,447.67	11,706,694.10
Including: Interest expenses	124,572,633.09	48,844,259.84
Interest income	29,863,236.51	44,777,111.05
Add: Other income	26,334,653.38	30,497,021.52
Investment income (“-” indicating loss)	19,276,128.29	135,714,820.76
Including: Income from investments in associates and joint ventures	-9,209,271.97	-8,154,449.19
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)	77,494,175.16	-33,921,543.15
Credit impairment losses (“-” indicating loss)	-8,795,751.36	-5,161,897.48
Assets impairment losses (“-” indicating loss)	-3,303,137.96	-1,480,290.23
Gains on disposal of assets (“-” indicating loss)	-1,341,419.18	-1,140,189.77

Item	Amount of the current period	Amount of the previous period
3. Operating profit (“-” indicating loss)	1,223,003,311.96	1,206,019,605.92
Add: Non-operating income	2,153,913.42	2,051,440.89
Less: Non-operating expenses	17,687,425.20	5,503,493.29
4. Profit before tax (“-” indicating total loss)	1,207,469,800.18	1,202,567,553.52
Less: Income tax expenses	263,291,545.64	198,639,330.33
5. Net profit (“-” indicating net loss)	944,178,254.54	1,003,928,223.19
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	944,178,254.54	1,003,928,223.19
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent (“-” indicating net loss)	961,107,133.20	1,040,062,760.57
2. Net profit attributable to non-controlling interests (“-” indicating net loss)	-16,928,878.66	-36,134,537.38
6. Other comprehensive income, net of tax	-45,147,725.23	-53,899,251.86
Other comprehensive income attributable to owners of the parent, net of tax	-43,192,124.73	-53,895,260.68
(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	-43,192,124.73	-53,895,260.68
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	-73,134,506.67	2,693,355.32
6. Exchange difference on translation of foreign financial statements	29,942,381.94	-56,588,616.00
7. Others		
Other comprehensive income attributable to the non-controlling interests, net of tax	-1,955,600.50	-3,991.18
7. Total comprehensive income	899,030,529.31	950,028,971.33
(i) Total comprehensive income attributable to owners of the parent	917,915,008.47	986,167,499.89
(ii) Total comprehensive income attributable to the non-controlling interests	-18,884,479.16	-36,138,528.56
8. Earnings per share:		
(i) Basic earnings per share	0.8118	0.8754
(ii) Diluted earnings per share	0.8111	0.8736

Legal representative: LOU Boliang	Chief Financial Officer: LI Shing Chung Gilbert	Person in charge of Accounting Department: LI Shing Chung Gilbert
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3. Consolidated Statement of Cash Flows from the Beginning of the Year to the End of the Reporting Period

	<i>Unit: RMB</i>	
Item	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	7,076,581,251.14	5,410,437,911.75
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	388,760,857.83	206,726,404.39
Other cash received relating to operating activities	70,696,817.27	70,201,767.29
	<hr/>	<hr/>
Sub-total of cash inflow from operating activities	7,536,038,926.24	5,687,366,083.43
	<hr/>	<hr/>
Cash paid for goods and services	1,664,466,323.97	1,195,602,709.33
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	3,218,817,041.33	2,189,642,114.14
Cash paid for taxes and surcharges	263,117,491.83	182,306,092.47
Other cash paid relating to operating activities	994,568,037.97	704,039,573.30
	<hr/>	<hr/>
Sub-total of cash outflow from operating activities	6,140,968,895.10	4,271,590,489.24
	<hr/>	<hr/>
Net cash flow from operating activities	1,395,070,031.14	1,415,775,594.19
	<hr/> <hr/>	<hr/> <hr/>

Item	Amount of the current period	Amount of the previous period
2. Cash flow from investing activities:		
Cash received from disposal of investments	3,868,570,127.08	3,090,929,847.28
Cash received from return on investments	54,751,470.76	61,602,961.84
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,039,985.52	1,441,158.84
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>3,924,361,583.36</u>	<u>3,153,973,967.96</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,199,162,575.67	1,548,135,347.27
Cash paid to acquire investments	2,100,174,709.08	4,933,742,547.94
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities	908,873,485.48	1,022,609,528.71
Other cash paid relating to investing activities	_____	1,072,500.00
Sub-total of cash outflows from investing activities	<u>5,208,210,770.23</u>	<u>7,505,559,923.92</u>
Net cash flow from investing activities	<u><u>-1,283,849,186.87</u></u>	<u><u>-4,351,585,955.96</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	267,512,118.81	4,497,419,972.62
Other cash received relating to financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	267,512,118.81	4,497,419,972.62
	<hr/>	<hr/>
Cash paid for repayments of borrowings	569,503,365.31	120,530,146.56
Cash payment for distribution of dividends, profits or interest expenses	391,092,057.24	272,042,080.97
Including: Dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash paid relating to financing activities	580,991,630.56	295,071,484.20
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	1,541,587,053.11	687,643,711.73
	<hr/>	<hr/>
Net cash flows from financing activities	-1,274,074,934.30	3,809,776,260.89
	<hr/> <hr/>	<hr/> <hr/>
4. Effect of foreign exchange rate changes on cash and cash equivalents	85,056,395.46	-17,019,209.79
	<hr/>	<hr/>
5. Net increase in cash and cash equivalents	-1,077,797,694.57	856,946,689.33
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	1,691,911,763.98	3,210,880,528.79
	<hr/> <hr/>	<hr/> <hr/>

(II) Audit Report

Whether the Third Quarterly Report has been audited

Yes No

The Third 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 nine months ended September 30, 2022

	Nine months ended	
	September 30,	
	2022	2021
	RMB'000	RMB'000
REVENUE	7,402,794	5,301,533
Cost of sales	<u>(4,715,544)</u>	<u>(3,367,321)</u>
Gross profit	2,687,250	1,934,212
Other income and gains	267,059	214,433
Other expenses	(186,820)	(40,510)
Selling and distribution expenses	(163,039)	(104,381)
Administrative expenses	(1,076,426)	(629,269)
Research and development costs	(177,468)	(109,852)
Impairment losses on financial and contract assets	(9,304)	(5,068)
Finance costs	(124,573)	(48,844)
Share of losses of associates	<u>(9,209)</u>	<u>(8,154)</u>
Profit before tax	1,207,470	1,202,567
Income tax expense	<u>(263,292)</u>	<u>(198,639)</u>
Profit for the period	<u>944,178</u>	<u>1,003,928</u>
Attributable to:		
Owners of the parent	961,107	1,040,063
Non-controlling interests	<u>(16,929)</u>	<u>(36,135)</u>
	<u>944,178</u>	<u>1,003,928</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic		
For profit for the period	<u>RMB0.8118</u>	<u>RMB0.8754</u>
Diluted		
For profit for the period	<u>RMB0.8111</u>	<u>RMB0.8736</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

September 30, 2022

	September 30, 2022 <i>RMB'000</i>	January 1, 2022 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	7,319,125	5,577,904
Right-of-use assets	1,189,216	726,800
Goodwill	2,562,966	2,096,265
Other intangible assets	232,758	227,163
Investments in associates	660,985	452,606
Equity investments at fair value through profit or loss	260,729	310,063
Biological assets	199,134	143,233
Deferred tax assets	44,901	15,595
Other non-current assets	584,278	195,993
	<hr/>	<hr/>
Total non-current assets	13,054,092	9,745,622
CURRENT ASSETS		
Inventories	346,146	181,700
Contract costs	222,774	165,625
Trade receivables	1,801,132	1,228,849
Contract assets	326,882	194,981
Biological assets	448,950	332,715
Prepayments, other receivables and other assets	766,215	1,441,191
Financial assets at fair value through profit or loss	694,591	1,537,947
Derivative financial instruments	3,622	16,674
Pledged deposits	262,212	17,243
Cash and cash equivalents	1,780,290	3,526,577
	<hr/>	<hr/>
Total current assets	6,652,814	8,643,502
CURRENT LIABILITIES		
Interest-bearing bank borrowings	485,977	482,302
Trade payables	465,095	315,534
Other payables and accruals	1,431,198	1,327,910
Derivative financial instruments	848,814	-
Contract liabilities	151,471	679,621
Lease liabilities	106,433	95,292
Tax payable	157,414	81,337
	<hr/>	<hr/>
Total current liabilities	3,646,402	2,981,996
	<hr/>	<hr/>
NET CURRENT ASSETS	3,006,412	5,661,506
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>16,060,504</u>	<u>15,407,128</u>

	September 30, 2022 <i>RMB'000</i>	January 1, 2022 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	692,341	956,095
Deferred tax liabilities	192,740	173,300
Financial liabilities at fair value through profit or loss	101,727	81,559
Deferred income	155,216	149,439
Convertible bonds-debt component	3,749,809	3,467,090
Lease liabilities	627,506	284,338
	<u>5,519,339</u>	<u>5,111,821</u>
Total non-current liabilities	5,519,339	5,111,821
NET ASSETS	10,541,165	10,295,307
EQUITY		
Share capital	1,191,068	794,177
Treasury shares	(668,038)	(301,825)
Equity component of convertible bonds	198,554	198,554
Reserves	9,680,122	9,438,335
	<u>10,401,706</u>	<u>10,129,241</u>
Equity attributable to owners of the parent	10,401,706	10,129,241
Non-controlling interests	139,459	166,066
	<u>10,541,165</u>	<u>10,295,307</u>
Total equity	10,541,165	10,295,307

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.

	Nine months ended	
	September 30	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to owners of the parent	961,107	1,040,063
Add:		
Share-based compensation expenses	103,159	39,382
Convertible Bonds related losses	102,763	60,237
Foreign exchange related losses/(gains)	70,742	(18,768)
Realized and unrealized gains or losses from equity investments	90,090	(73,033)
Non-IFRS adjusted net profit attributable to owners of the parent	1,327,861	1,047,881

For the first three quarters of 2022, non-IFRS adjusted net profit attributable to owners of the parent increased by 26.7% as compared with the corresponding period of the previous year.