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Pharmaron Beijing Co., Ltd.*

康龍化成（北京）新藥技術股份有限公司

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

(Stock Code: 3759)

2021 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 2021 of the Company. The financial data contained in this quarterly report is, except for section (IV) in Part IV 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 2021 of the Company has not been audited.

By order of the Board

Pharmaron Beijing Co., Ltd.*

康龍化成（北京）新藥技術股份有限公司

Dr. Lou Boliang

Chairman

Beijing, the PRC

October 27, 2021

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

* For identification purposes only

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

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

2021 THIRD QUARTERLY REPORT

October 2021

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) for the reporting period 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>) | 2,016,021,685.34 | 44.75% | 5,301,532,904.44 | 47.84% |
| Net profit attributable to owners of the parent (<i>RMB</i>) | 475,226,582.02 | 53.26% | 1,040,062,760.57 | 31.81% |
| Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>RMB</i>) | 347,305,923.16 | 42.63% | 930,773,984.67 | 53.71% |
| Net cash flows from operating activities (<i>RMB</i>) | | | 1,415,775,594.19 | 22.15% |
| Basic earnings per share (<i>RMB/share</i>) | 0.5998 | 52.85% | 1.3131 | 31.63% |
| Diluted earnings per share (<i>RMB/share</i>) | 0.5990 | 53.24% | 1.3104 | 31.69% |
| Return on net assets on weighted average basis | 4.98% | 1.17% | 11.18% | 1.51% |
| | | | | 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>) | 17,536,055,892.02 | | 11,908,792,687.05 | 47.25% |
| Net assets attributable to owners of the parent (<i>RMB</i>) | 9,757,934,948.59 | | 8,870,319,872.38 | 10.01% |

Revenue from principal operations, cost and gross profit margin for the first three quarters of 2021 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 | 3,301,655,452.35 | 1,861,116,467.22 | 43.63% | 2,320,501,197.36 | 1,316,052,504.22 | 43.29% | 42.28% |
| CMC (small molecule CDMO) services | 1,223,506,278.42 | 793,112,343.07 | 35.18% | 830,126,012.37 | 566,854,126.08 | 31.71% | 47.39% |
| Clinical development services | 664,831,034.16 | 581,031,417.83 | 12.60% | 413,977,260.18 | 339,298,415.71 | 18.04% | 60.60% |
| Biologics and CGT services | 109,400,027.12 | 126,447,682.27 | -15.58% | 6,547,524.37 | 3,936,919.62 | 39.87% | 1,570.86% |

The gross profit margin of principal operations in the first three quarters of 2021 was 36.56%, compared with 37.66% in 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, the gross profit margin of principal operations for the first three quarters of 2021 will be higher by about 3.38%.

(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) | -268,503.87 | -1,140,189.77 | |
| 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) | 8,280,693.70 | 31,794,196.34 | 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 | 122,503,784.40 | 98,241,178.67 | It mainly includes: (1) gains on change in fair value of other non-current financial assets of the Company from the beginning of the year to the end of the reporting period amounted to approximately RMB59,008,100; (2) from the beginning of the year to the end of the reporting period, income related to wealth management products amounted to approximately RMB34,974,500; (3) from the beginning of the year to the end of the reporting period, the losses on change in fair value from the convertible bonds-embedded derivative component was approximately RMB27,111,300 which was affected by the fluctuation in the share price of the Company's H Shares; (4) from the beginning of the year to the end of the reporting period, gains resulting from transfer of an investment in associate, Shanghai Kejun Pharmaceutical Technology Co., Ltd. (上海柯君醫藥科技有限公司), to equity investments at fair value through profit or loss amounted to approximately RMB25,451,700. |
| Other non-operating income and expenses other than the above items | 267,067.77 | -4,749,227.22 | |
| Less: Effect of income tax | 2,385,675.50 | 11,548,612.44 | |
| Impact on non-controlling interests (after tax) | 476,707.64 | 3,308,569.68 | |
| Total | <u>127,920,658.86</u> | <u>109,288,775.90</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) Change 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) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|---|--|---|-----------------------|--|
| Revenue | 5,301,532,904.44 | 3,585,968,004.69 | 47.84% | Revenue increased by 47.84% 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. |
| Net profit attributable to owners of the parent | 1,040,062,760.57 | 789,043,085.87 | 31.81% | Net profit attributable to owners of the parent increased by 31.81% on a period-on-period basis from the beginning of the year to the end of the reporting period, mainly due to the further increase from economies of scale under the growth in revenue. |
| Net profit attributable to owners of the parent excluding non-recurring gains or losses | 930,773,984.67 | 605,543,225.57 | 53.71% | Net profit attributable to owners of the parent excluding non-recurring gains or losses increased by 53.71% on a period-on-period basis from the beginning of the year to the end of the reporting period, mainly due to the further increase from economies of scale under the growth in revenue. |
| Basic earnings per share | 1.3131 | 0.9976 | 31.63% | It was mainly due to the increase in net profit attributable to owners of the parent from the beginning of the year to the end of the reporting period compared with the corresponding period of the previous year. |

| Item | As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|-----------------------------------|---|--|-----------------------|---|
| Diluted earnings per share | 1.3104 | 0.9951 | 31.69% | It was mainly due to the increase in net profit attributable to owners of the parent from the beginning of the year to the end of the reporting period compared with the corresponding period of the previous year. |
| Total assets | 17,536,055,892.02 | 11,908,792,687.05 | 47.25% | Total assets increased by RMB5,627,263,200 as compared with the balance at the end of last year, representing an increase of 47.25%, including: cash and bank balances increased by RMB1,347,519,400, fixed assets increased by RMB878,113,500, held-for-trading financial assets increased by RMB751,942,300, goodwill increased by RMB647,638,200 and other current assets increased by RMB521,458,600. |
| Cash and bank balances | 4,289,872,163.19 | 2,942,352,739.79 | 45.80% | Cash and bank balances increased by RMB1,347,519,400 as compared with the balance at the end of last year, representing an increase of 45.80%, which was mainly due to the receipt of proceeds of convertible bonds during the reporting period. |
| Held-for-trading financial assets | 1,661,952,546.61 | 910,010,204.36 | 82.63% | Held-for-trading financial assets increased by RMB751,942,300 as compared with the balance at the end of last year, representing an increase of 82.63%, which was mainly due to the increase in holding medium-risk and low-risk wealth management products invested with the Company's own funds. |
| Prepayments | 29,745,892.90 | 9,991,377.35 | 197.72% | Prepayments increased by RMB19,754,500 as compared with the balance at the end of last year, representing an increase of 197.72%, which was mainly due to the increase in prepayments for purchases of raw material. |
| Other receivables | 91,514,694.43 | 43,125,212.21 | 112.21% | Other receivables increased by RMB48,389,500 as compared with the balance at the end of last year, representing an increase of 112.21%, which was mainly due to the increase in tax refund subsidy receivable. |

| Item | As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|------------------------------|---|--|-----------------------|---|
| Inventories | 567,550,470.51 | 281,617,169.89 | 101.53% | Inventories increased by RMB285,933,300 as compared with the balance at the end of last year, representing an increase of 101.53%. Major changes are as follows: (1) the Company acquired Biomedical Research (GZ), Ltd. (肇慶創藥生物科技有限公司) during the reporting period and the consumable biological assets increased as a result of business combination not under common control; (2) the consumable biological assets purchased based on our business demand during the reporting period; (3) the increase in raw materials reserved based on our business demand and products under production during the reporting period. |
| Contract assets | 187,237,361.85 | 133,764,197.46 | 39.98% | Contract assets increased by RMB53,473,200 as compared with the balance at the end of last year, representing an increase of 39.98%, which was mainly due to the growing business scale. |
| Other current assets | 664,362,148.85 | 142,903,541.28 | 364.90% | Other current assets increased by RMB521,458,600 as compared with the balance at the end of last year, representing an increase of 364.90%, which was mainly due to the increase in fixed-income wealth management products included in other current assets. |
| Long-term equity investments | 375,737,637.20 | 280,474,146.47 | 33.97% | Long-term equity investments increased by RMB95,263,500 as compared with the balance at the end of last year, representing an increase of 33.97%, which was mainly due to the new equity investments of RMB78,000,000 in 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) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|------------------------------------|---|--|-----------------------|--|
| Other non-current financial assets | 282,253,591.56 | 121,229,605.93 | 132.83% | Other non-current financial assets increased by RMB161,024,000 as compared with the balance at the end of last year, representing an increase of 132.83%. Major changes are as follows: (1) transfer of an investment in associate, Shanghai Kejun Pharmaceutical Technology Co., Ltd., to equity investments at fair value through profit or loss amounted to approximately RMB31,816,700 during the reporting period; (2) new investments of RMB36,190,900 in Beijing Legend Huikang Equity Investment Partnership (Limited Partnership) (北京君聯惠康股權投資合夥企業(有限合夥)) during the reporting period; (3) new investments of RMB29,000,000 in Wuxi AstraZeneca CICC Venture Capital Partnership (Limited Partnership) (無錫阿斯利康中金創業投資合夥企業(有限合夥)) during the reporting period; (4) gains on change in fair value of other non-current financial assets of the Company from the beginning of the year to the end of the reporting period amounted to approximately RMB59,008,100. |
| Investment properties | – | 43,888,859.93 | -100.00% | It was due to the conversion of use of investment properties to its own use during the reporting period, resulting in the transfer of relevant land and buildings to intangible assets and fixed assets, respectively. |
| Fixed assets | 3,600,800,496.89 | 2,722,686,958.65 | 32.25% | Fixed assets increased by RMB878,113,500 as compared with the balance at the end of last year, representing an increase of 32.25%, which was mainly due to the purchase and transfer from construction in progress during the period. |
| Construction in progress | 1,161,983,279.02 | 820,576,183.15 | 41.61% | Construction in progress increased by RMB341,407,100 as compared with the balance at the end of last year, representing an increase of 41.61%, which was mainly due to the scheduled construction of Ningbo Hangzhou Bay R&D service center, Shaoxing Phase I facility, Ningbo Hangzhou Bay service center II Phase I. |
| Productive biological assets | 39,136,292.88 | – | N/A | Biomedical Research (GZ), Ltd. was acquired during the reporting period and the productive biological assets increased as a result of business combination not under common control. |
| Goodwill | 1,813,810,478.98 | 1,166,172,234.71 | 55.54% | Goodwill increased by RMB647,638,200 as compared with the balance at the end of last year, representing an increase of 55.54%, which was mainly due to the business combination not under common control of Pharmaron Biologics (UK) Ltd and Biomedical Research (GZ), Ltd. 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) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|--------------------------|---|--|-----------------------|--|
| Deferred tax assets | 15,557,071.21 | 8,436,003.69 | 84.41% | Deferred tax assets increased by RMB7,121,100 as compared with the balance at the end of last year, representing an increase of 84.41%, which was mainly due to the increase in the deferred tax assets related to the share-based payments during the reporting period. |
| Other non-current assets | 455,788,904.69 | 149,162,761.67 | 205.56% | Other non-current assets increased by RMB306,626,100 as compared with the balance at the end of last year, representing an increase of 205.56%, which was mainly due to the increase in prepayments for equipment and equity interests. |
| Trade payables | 283,661,986.37 | 191,497,239.86 | 48.13% | Trade payables increased by RMB92,164,700 as compared with the balance at the end of last year, representing an increase of 48.13%, which was mainly due to the increase in the purchase of raw materials. |
| Contract liabilities | 662,177,001.95 | 473,288,883.77 | 39.91% | Contract liabilities increased by RMB188,888,100 as compared with the balance at the end of last year, representing an increase of 39.91%, which was mainly due to the expansion of business scale. |
| Tax payables | 123,140,500.50 | 51,834,011.70 | 137.57% | Tax payables increased by RMB71,306,500 as compared with the balance at the end of last year, representing an increase of 137.57%, which was mainly due to the significant growth of the total profit during the reporting period, resulting in a greater increase in the income tax payable compared with the balance at the end of last year. |
| Long-term borrowings | 933,201,421.61 | 394,810,891.08 | 136.37% | Long-term borrowings increased by RMB538,390,500 as compared with the balance at the end of last year, representing an increase of 136.37%, which was mainly due to the increased bank borrowings for project construction. |
| Bond payables | 3,470,088,077.90 | – | N/A | Bond payables increased by RMB3,470,088,100 as compared with the balance at the end of last year, which was mainly due to the issuance of zero coupon convertible bonds due 2026 on The Stock Exchange of Hong Kong Limited during the reporting period. |
| Other equity instruments | 198,554,160.44 | – | N/A | Other equity instruments increased by RMB198,554,200 as compared with the balance at the end of last year, which was mainly due to the Company successfully issued principal amount of US\$300,000,000 zero coupon convertible bonds due 2026 and principal amount of RMB1,916,000,000 zero coupon US\$-settled convertible bonds due 2026 on The Stock Exchange of Hong Kong Limited, of which the conversion option corresponding to the RMB principal bonds was included in other equity instruments. |

| Item | As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|----------------------------|---|--|-----------------------|--|
| Treasury shares | 145,240,760.15 | 45,474,869.16 | 219.39% | Treasury shares increased by RMB99,765,900 as compared with the balance at the end of last year, representing an increase of 219.39%. During the reporting period, in accordance with the First H Share Award and Trust Scheme, Computershare Hong Kong Trustees Limited purchased the H Shares from the open market based on the instructions of the Company. |
| Other comprehensive income | -92,119,896.57 | -38,224,635.89 | -141.00% | Other comprehensive income decreased by RMB53,895,300 as compared with the balance at the end of last year, representing a decrease of 141.00%, which was mainly due to changes in the exchange differences arising from translation of foreign currency financial statements during the reporting period. |
| Retained earnings | 2,730,900,527.50 | 1,929,024,059.21 | 41.57% | From the beginning of the year to the end of the reporting period, net profit attributable to owners of the parent amounted to approximately RMB1,040,062,800, and cash dividends of RMB238,136,300 were distributed to shareholders, which together led to an increase in retained earnings compared with the balance at the end of last year. |
| Non-controlling interests | 145,993,766.41 | 63,420,201.85 | 130.20% | Non-controlling interests increased by RMB82,573,600 as compared with the balance at the end of last year, representing an increase of 130.20%, which was mainly due to the business combination not under common control of Biomedical Research (GZ), Ltd. during the reporting period. |
| Cost | 3,362,990,019.03 | 2,232,455,980.47 | 50.64% | In line with the increased revenue, the cost from the beginning of the year to the end of the reporting period increased by 50.64% on a period-on-period basis. |
| Taxes and surcharges | 32,743,189.82 | 24,407,708.64 | 34.15% | It was mainly due to the increase in property tax from the beginning of the year to the end of the reporting period compared to the same period last year. |
| Selling expenses | 104,381,393.02 | 65,228,176.03 | 60.03% | In line with the increased revenue, the selling expenses from the beginning of the year to the end of the reporting period increased by 60.03% on a period-on-period basis. |
| Administrative expenses | 598,348,091.85 | 446,635,747.31 | 33.97% | Administrative expenses increased by RMB151,712,300, representing an increase of 33.97% 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. |

| Item | As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|--------------------------------|---|--|-----------------------|---|
| Research and development costs | 109,851,832.35 | 69,047,547.25 | 59.10% | Research and development costs increased by RMB40,804,300, representing an increase of 59.10% 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 enhanced efforts to improve research and development capabilities and technical expertise, and increased research and development spending. |
| Finance expenses | 11,706,694.10 | 24,921,867.42 | -53.03% | From the beginning of the year to the end of the reporting period, there was a significant decrease in losses from foreign exchange and an increase in interest expenses, which together led to a decrease in finance expenses. |
| Investment income | 135,714,820.76 | 11,549,584.86 | 1,075.06% | Investment income increased by RMB124,165,200, representing an increase of 1,075.06% on a period-on-period basis from the beginning of the year to the end of the reporting period, mainly due to: <ul style="list-style-type: none"> (1) the transfer of gains on change in fair value amounting to approximately RMB71,164,600 to investment income as a result of the settlement of foreign currency forward contracts used for hedging against foreign exchange risks from the beginning of the year to the end of the reporting period, as compared to the gains arising from investment in derivative financial instruments amounting to RMB4,256,300 in the same period last year; (2) the amount of investment income recognized from wealth management products was approximately RMB47,253,000 from the beginning of the year to the end of the reporting period, as compared to the amount of investment income recognized from wealth management products amounting to approximately RMB6,374,800 in the same period last year. |

| Item | As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB) | As at the end of the previous year/the corresponding period of the previous year (RMB) | Percentage of changes | Reasons for changes |
|-------------------------------|---|--|-----------------------|---|
| Gains on change in fair value | -33,921,543.15 | 137,950,949.67 | -124.59% | Gains on change in fair value decreased by RMB171,872,500, representing a decrease of 124.59% on a period-on-period basis from the beginning of the year to the end of the reporting period, mainly due to: <ul style="list-style-type: none"> (1) the losses on change in fair value recognized for the foreign currency forward contracts and foreign currency option contracts amounting to approximately RMB65,246,300 from the beginning of the year to the end of the reporting period (mainly the portion of changes in fair value of contracts due for settlement transferred to investment income), as compared to the gains on change in fair value of derivative financial instruments amounting to RMB46,430,600 in the same period last year; (2) from the beginning of the year to the end of the reporting period, the losses on change in fair value from the convertible bonds-embedded derivative component was RMB27,111,300 which was affected by the fluctuation in the share price of the Company's H Shares; (3) gains on change in fair value of other non-current financial assets of the Company amounting to approximately RMB59,008,100 from the beginning of the year to the end of the reporting period, as compared to the gains on change in fair value amounting to RMB81,838,900 in the same period last year. |
| Credit impairment losses | -5,161,897.48 | -2,688,495.36 | 92.00% | 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 | -1,480,290.23 | -3,441,539.26 | -56.99% | It was due to the period-on-period decrease in impairment losses on inventories and impairment losses on contract assets from the beginning of the year to the end of the reporting period. |
| Gains on disposal of assets | -1,140,189.77 | -705,480.17 | -61.62% | It was due to an increase in losses arising from the disposal of non-current assets from the beginning of the year to the end of the reporting period. |
| Non-operating income | 2,051,440.89 | 627,766.26 | 226.78% | It was mainly due to the increase in government subsidies related to non-daily activities received by the Company during the reporting period as compared with the same period last year. |
| Income tax expenses | 198,639,330.33 | 126,974,075.57 | 56.44% | From the beginning of the year to the end of the reporting period, the income tax expenses increased due to a period-on-period increase in profit before tax by 34.64%. |

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 | 24,003 | Total number of preferred shareholders whose voting rights have been reinstated as at the end of the reporting period (if any) | 0 |
|---|--------|--|---|

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) (深圳市信中康成投資合夥企業(有限合夥)) | Domestic non-state-owned legal person | 19.78% | 157,142,855 | 157,142,855 | | |
| HKSCC NOMINEES LIMITED | Overseas legal person | 16.87% | 133,996,893 | 0 | | |
| PHARMARON HOLDINGS LIMITED | Overseas legal person | 12.29% | 97,600,003 | 97,600,003 | | |
| Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership) (天津君聯聞達股權投資合夥企業(有限合夥)) | Domestic non-state-owned legal person | 6.39% | 50,742,928 | 0 | | |
| Hong Kong Securities Clearing Company Limited | Overseas legal person | 4.91% | 39,021,372 | 0 | | |
| Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) | Domestic non-state-owned legal person | 3.59% | 28,494,266 | 28,494,266 | | |
| Mr. LOU Xiaoqiang (樓小強) | Domestic natural person | 3.46% | 27,500,000 | 27,500,000 | Pledge | 400,000 |
| Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司) | Domestic non-state-owned legal person | 3.46% | 27,500,000 | 27,500,000 | Pledge | 8,930,000 |
| 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) | Domestic non-state-owned legal person | 3.02% | 23,998,877 | 0 | | |
| Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司) | Domestic non-state-owned legal person | 2.61% | 20,723,103 | 20,723,103 | Pledge | 5,550,000 |

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 of shares | |
|---|--|---------------------------------|-------------|
| | | Class | Number |
| HKSCC NOMINEES LIMITED | 133,996,893 | Overseas listed foreign shares | 133,996,893 |
| 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)) | 50,742,928 | RMB-denominated ordinary shares | 50,742,928 |
| Hong Kong Securities Clearing Company Limited | 39,021,372 | RMB-denominated ordinary shares | 39,021,372 |
| 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) | 23,998,877 | RMB-denominated ordinary shares | 23,998,877 |
| Mr. YU Yuejiang (郁岳江) | 10,584,842 | RMB-denominated ordinary shares | 10,584,842 |
| Bank of China Limited – GF Healthcare Equity Securities Investment Fund (中國銀行股份有限公司－廣發醫療保健股票型證券投資基金) | 4,325,430 | RMB-denominated ordinary shares | 4,325,430 |
| Beijing Junlian Maolin Equity Investment Partnership (Limited Partnership) (北京君聯茂林股權投資合夥企業(有限合夥)) | 3,875,043 | RMB-denominated ordinary shares | 3,875,043 |
| China Construction Bank Corporation – China Universal Innovation Pharmaceuticals Theme Mixed Securities Investment Fund (中國建設銀行股份有限公司－匯添富創新醫藥主題混合型證券投資基金) | 3,794,756 | RMB-denominated ordinary shares | 3,794,756 |
| Industrial and Commercial Bank of China Limited – Lombarda China Medical Innovation Equity Securities Investment Fund (中國工商銀行股份有限公司－中歐醫療創新股票型證券投資基金) | 3,600,575 | RMB-denominated ordinary shares | 3,600,575 |
| China Construction Bank Corporation – GF Growth Selected Mixed Securities Investment Fund (中國建設銀行股份有限公司－廣發成長精選混合型證券投資基金) | 3,000,011 | RMB-denominated ordinary shares | 3,000,011 |

| | |
|---|---|
| Description of connected relationships or concerted actions of the above shareholders | <ol style="list-style-type: none"> <li data-bbox="766 112 1485 414">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). <li data-bbox="766 457 1485 755">2. Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership) (天津君聯聞達股權投資合夥企業(有限合夥)) and Beijing Junlian Maolin Equity Investment Partnership (Limited Partnership) (北京君聯茂林股權投資合夥企業(有限合夥)) are controlled by Junlian Capital Management Co., Ltd. (君聯資本管理股份有限公司). <li data-bbox="766 798 1485 1198">3. Mr. LOU Xiaoqiang (樓小強), a shareholder of the Company, owns 100% equity interests of Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司); Ms. ZHENG Bei (鄭北), Mr. LOU Xiaoqiang (樓小強)'s spouse, owns 100% equity interests of Beijing Duotai Investment Management Co., Ltd. (北京多泰投資管理有限公司), and Dr. LOU Boliang (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

III. OTHER SIGNIFICANT EVENTS

Applicable N/A

(I) Acquisition of 100% equity interest in Zhongke Lingrui (Zhanjiang) Biotechnology Co., Ltd.

In August 2021, the Company reached an acquisition agreement with the shareholders of Zhongke Lingrui (Zhanjiang) Biotechnology Co., Ltd. (“Zhongke Lingrui”) to acquire 100% equity interest in Zhongke Lingrui held by Beijing Prima Biotech Inc. (北京中科靈瑞生物技術股份有限公司) and Ms. Tang Muxiu (湯木秀). Zhongke Lingrui was mainly engaged in experimental animal breeding. The transaction was completed in October 2021, and Zhongke Lingrui is now renamed Kangruitai (Zhanjiang) Biotechnology Co., Ltd. (康瑞泰(湛江)生物技術有限公司).

(II) Summary of announcements on progress of other significant events

| Overview of events | Disclosure date of interim announcement | Search index on the website disclosing the interim announcements |
|--|--|--|
| 2021 A Share Incentive Scheme | July 12, 2021 | 2021 Restricted A Share Incentive Scheme of Pharmaron Beijing Co., Ltd., disclosure website: (https://www1.hkexnews.hk) |
| | July 27, 2021 | (I) Poll Results of the First Extraordinary General Meeting of 2021, the Second A Shares Class Meeting of 2021 and the Second H Shares Class Meeting of 2021 Held on July 12, 2021; and (II) Amendments to the Articles of Association, disclosure website: (https://www1.hkexnews.hk) Announcement on Adjustment to the Grant Price of the 2021 Restricted A Share Incentive Scheme and Grant Restricted Shares to Participants and List of Participants (on the Grant Date), disclosure website: (https://www1.hkexnews.hk) |
| Investment in Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership) | July 15, 2021 | Announcement on Progress of Investment in Private Equity Investment Fund and Related Transactions, disclosure website: (https://www1.hkexnews.hk) |
| | August 12, 2021 | Connected Transaction in Relation to Investment in the Kangjun Zhongyuan Fund, disclosure website: (https://www1.hkexnews.hk) |
| | August 12, 2021 | Announcement on Progress of Investment in Private Equity Investment Fund and Related Transactions of Pharmaron Beijing Co., Ltd., disclosure website: (https://www1.hkexnews.hk) |
| | August 17, 2021 | Supplemental Announcement Connected Transaction, disclosure website: (https://www1.hkexnews.hk) |
| | September 10, 2021 | Announcement on Completion of Filing of Investment in Private Equity Investment Fund by Pharmaron Beijing Co., Ltd., disclosure website: (https://www1.hkexnews.hk) |

| Overview of events | Disclosure date of interim announcement | Search index on the website disclosing the interim announcements |
|--|--|---|
| Investment in Beijing Legend Huikang Equity Investment Partnership (Limited Partnership) | July 27, 2021 | Connected Transaction in Relation to Investment in the Legend Huikang Fund, disclosure website: (https://www1.hkexnews.hk) |
| Progress of acquisition of 100% equity interests in Absorption Systems LLC and its wholly-owned subsidiaries | August 29, 2021 | Update Announcement in Relation to Discloseable Transaction, disclosure website: (https://www1.hkexnews.hk) |

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.

| Item | <i>Unit: RMB</i> | |
|---|-------------------------|-------------------------|
| | September 30, 2021 | December 31, 2020 |
| Current assets: | | |
| Cash and bank balances | 4,289,872,163.19 | 2,942,352,739.79 |
| Deposit reservation for balance | | |
| Lending to banks and other financial institutions | | |
| Held-for-trading financial assets | 1,661,952,546.61 | 910,010,204.36 |
| Derivative financial assets | | |
| Note receivables | | |
| Trade receivables | 1,162,676,195.49 | 1,076,613,848.97 |
| Trade receivables financing | | |
| Prepayments | 29,745,892.90 | 9,991,377.35 |
| Premium receivables | | |
| Reinsurance account receivables | | |
| Reinsurance deposit receivables | | |
| Other receivables | 91,514,694.43 | 43,125,212.21 |
| Including: Interest receivables | | |
| Dividend receivables | | |
| Financial assets held under repurchase agreements | | |
| Inventories | 567,550,470.51 | 281,617,169.89 |
| Contract assets | 187,237,361.85 | 133,764,197.46 |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 664,362,148.85 | 142,903,541.28 |
| Total current assets | 8,654,911,473.83 | 5,540,378,291.31 |

| Item | September 30, 2021 | December 31, 2020 |
|---|--------------------------|--------------------------|
| Non-current assets: | | |
| Disbursement of loans and advances | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investments | 375,737,637.20 | 280,474,146.47 |
| Other investments in equity instruments | | |
| Other non-current financial assets | 282,253,591.56 | 121,229,605.93 |
| Investment properties | | 43,888,859.93 |
| Fixed assets | 3,600,800,496.89 | 2,722,686,958.65 |
| Construction in progress | 1,161,983,279.02 | 820,576,183.15 |
| Productive biological assets | 39,136,292.88 | |
| Oil & gas assets | | |
| Right-of-use assets | 298,248,437.20 | 255,439,849.20 |
| Intangible assets | 649,751,315.66 | 566,076,376.97 |
| Development expenses | | |
| Goodwill | 1,813,810,478.98 | 1,166,172,234.71 |
| Long-term deferred expenses | 188,076,912.90 | 234,271,415.37 |
| Deferred tax assets | 15,557,071.21 | 8,436,003.69 |
| Other non-current assets | 455,788,904.69 | 149,162,761.67 |
| | <hr/> | <hr/> |
| Total non-current assets | 8,881,144,418.19 | 6,368,414,395.74 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Total assets | 17,536,055,892.02 | 11,908,792,687.05 |
| | <hr/> <hr/> | <hr/> <hr/> |

| Item | September 30, 2021 | December 31, 2020 |
|---|--------------------------------|--------------------------------|
| Current liabilities: | | |
| Short-term borrowings | 407,453,820.06 | 377,265,354.81 |
| Borrowings from the Central Bank | | |
| Borrowings from banks and other financial institutions | | |
| Held-for-trading financial liabilities | | |
| Derivative financial liabilities | | |
| Note payables | | |
| Trade payables | 283,661,986.37 | 191,497,239.86 |
| Advances from customers | | |
| Contract liabilities | 662,177,001.95 | 473,288,883.77 |
| Financial assets sold for repurchase | | |
| Customer and inter-bank deposits | | |
| Deposit for securities trading brokerage | | |
| Deposit for securities underwriting brokerage | | |
| Employee benefits payables | 444,161,084.48 | 387,442,503.10 |
| Tax payables | 123,140,500.50 | 51,834,011.70 |
| Other payables | 524,174,682.54 | 407,655,814.57 |
| Including: Interests payables | | |
| Dividend payables | 1,382,023.07 | 611,608.05 |
| Fees and commissions payables | | |
| Reinsurance account payables | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 107,121,540.10 | 92,805,094.82 |
| Other current liabilities | | |
| | <hr/> | <hr/> |
| Total current liabilities | <u>2,551,890,616.00</u> | <u>1,981,788,902.63</u> |

| Item | September 30, 2021 | December 31, 2020 |
|--|--------------------------|--------------------------|
| Non-current liabilities: | | |
| Insurance contract reserves | | |
| Long-term borrowings | 933,201,421.61 | 394,810,891.08 |
| Bond payables | 3,470,088,077.90 | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 227,179,515.15 | 186,607,862.14 |
| Long-term payables | | |
| Long-term employee benefits payables | | |
| Provisions | | |
| Deferred income | 152,566,920.24 | 158,128,263.67 |
| Deferred tax liabilities | 115,676,589.05 | 106,906,443.30 |
| Other non-current liabilities | 181,524,037.07 | 146,810,250.00 |
| | <u>5,080,236,561.02</u> | <u>993,263,710.19</u> |
| Total non-current liabilities | | |
| | <u>7,632,127,177.02</u> | <u>2,975,052,612.82</u> |
| Total liabilities | | |
| Equity: | | |
| Share capital | 794,177,098.00 | 794,387,462.00 |
| Other equity instruments | 198,554,160.44 | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 6,069,198,564.12 | 6,028,142,600.97 |
| Less: Treasury shares | 145,240,760.15 | 45,474,869.16 |
| Other comprehensive income | -92,119,896.57 | -38,224,635.89 |
| Specific reserve | | |
| Surplus reserve | 202,465,255.25 | 202,465,255.25 |
| General risk provision | | |
| Retained earnings | 2,730,900,527.50 | 1,929,024,059.21 |
| Total equity attributable to the owners of the parent | <u>9,757,934,948.59</u> | <u>8,870,319,872.38</u> |
| Non-controlling interests | 145,993,766.41 | 63,420,201.85 |
| | <u>9,903,928,715.00</u> | <u>8,933,740,074.23</u> |
| Total equity | | |
| | <u>17,536,055,892.02</u> | <u>11,908,792,687.05</u> |
| Total liabilities and equity | | |

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 | 5,301,532,904.44 | 3,585,968,004.69 |
| Including: Revenue | 5,301,532,904.44 | 3,585,968,004.69 |
| Interest income | | |
| Insurance premium earned | | |
| Fee and commission income | | |
| 2. Total cost | 4,220,021,220.17 | 2,862,697,027.12 |
| Including: Cost | 3,362,990,019.03 | 2,232,455,980.47 |
| 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 | 32,743,189.82 | 24,407,708.64 |
| Selling expenses | 104,381,393.02 | 65,228,176.03 |
| Administrative expenses | 598,348,091.85 | 446,635,747.31 |
| Research and development costs | 109,851,832.35 | 69,047,547.25 |
| Finance expenses | 11,706,694.10 | 24,921,867.42 |
| Including: Interest expenses | 48,844,259.84 | 17,642,643.61 |
| Interest income | 44,777,111.05 | 58,681,756.15 |
| Add: Other income | 30,497,021.52 | 31,838,399.98 |
| Investment income (“-” indicating loss) | 135,714,820.76 | 11,549,584.86 |
| Including: Income from investments in associates and joint ventures | -8,154,449.19 | -22,204,377.15 |
| 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) | -33,921,543.15 | 137,950,949.67 |
| Credit impairment losses (“-” indicating loss) | -5,161,897.48 | -2,688,495.36 |
| Assets impairment losses (“-” indicating loss) | -1,480,290.23 | -3,441,539.26 |
| Gains on disposal of assets (“-” indicating loss) | -1,140,189.77 | -705,480.17 |

| Item | Amount of the current period | Amount of the previous period |
|---|---------------------------------|----------------------------------|
| 3. Operating profit (“-” indicating loss) | 1,206,019,605.92 | 897,774,397.29 |
| Add: Non-operating income | 2,051,440.89 | 627,766.26 |
| Less: Non-operating expenses | 5,503,493.29 | 5,201,032.00 |
| 4. Profit before tax (“-” indicating total loss) | 1,202,567,553.52 | 893,201,131.55 |
| Less: Income tax expenses | 198,639,330.33 | 126,974,075.57 |
| 5. Net profit (“-” indicating net loss) | 1,003,928,223.19 | 766,227,055.98 |
| (i) By continuity of operations | | |
| 1. Net profit from continuing operations (“-” indicating net loss) | 1,003,928,223.19 | 766,227,055.98 |
| 2. Net profit from discontinued operations (“-” indicating net loss) | | |
| (ii) By ownership | | |
| 1. Net profit attributable to owners of the parent | 1,040,062,760.57 | 789,043,085.87 |
| 2. Net profit attributable to non-controlling interests | -36,134,537.38 | -22,816,029.89 |
| 6. Other comprehensive income, net of tax | -53,899,251.86 | -27,222,659.23 |
| Other comprehensive income attributable to owners of the parent, net of tax | -53,895,260.68 | -27,215,479.68 |
| (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 | | |
| (ii) Other comprehensive income that will be reclassified to profit or loss | -53,895,260.68 | -27,215,479.68 |
| 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 | 2,693,355.32 | |
| 6. Exchange difference on translation of foreign financial statements | -56,588,616.00 | -27,215,479.68 |
| 7. Others | | |
| Other comprehensive income attributable to the non-controlling interests, net of tax | -3,991.18 | -7,179.55 |

| Item | Amount of the current period | Amount of the previous period |
|--|---------------------------------|----------------------------------|
| 7. Total comprehensive income | 950,028,971.33 | 739,004,396.75 |
| Total comprehensive income attributable to owners of the parent | 986,167,499.89 | 761,827,606.19 |
| Total comprehensive income attributable to the non-controlling interests | -36,138,528.56 | -22,823,209.44 |
| 8. Earnings per share: | | |
| (i) Basic earnings per share | 1.3131 | 0.9976 |
| (ii) Diluted earnings per share | 1.3104 | 0.9951 |

| | | |
|--------------------------------------|--|---|
| 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 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 | 5,410,437,911.75 | 3,628,518,030.12 |
| 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 | 206,726,404.39 | 149,590,422.56 |
| Other cash received relating to operating activities | 70,201,767.29 | 155,608,831.79 |
| | <hr/> | <hr/> |
| Sub-total of cash inflow from operating activities | 5,687,366,083.43 | 3,933,717,284.47 |
| | <hr/> | <hr/> |
| Cash paid for goods and services | 1,195,602,709.33 | 854,574,863.73 |
| Net increase in loans and advances to customers | | |
| Net increase in deposits with the Central Bank and other financial institutions | | |
| Cash paid for compensation pay-outs of original insurance contracts | | |
| Net increase in placements with banks and other financial institution | | |
| Cash paid for interest, fees and commissions | | |
| Cash paid for insurance dividends | | |
| Cash paid to and on behalf of employees | 2,189,642,114.14 | 1,369,818,927.36 |
| Cash paid for taxes and surcharges | 182,306,092.47 | 127,503,683.93 |
| Other cash paid relating to operating activities | 704,039,573.30 | 422,776,426.50 |
| | <hr/> | <hr/> |
| Sub-total of cash outflow from operating activities | 4,271,590,489.24 | 2,774,673,901.52 |
| | <hr/> | <hr/> |
| Net cash flow from operating activities | 1,415,775,594.19 | 1,159,043,382.95 |
| | <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 | 3,090,929,847.28 | 678,062,900.00 |
| Cash received from return on investments | 61,602,961.84 | 12,527,187.47 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,441,158.84 | 3,125,872.28 |
| 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>3,153,973,967.96</u> | <u>693,715,959.75</u> |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 1,548,135,347.27 | 806,971,253.28 |
| Cash paid to acquire investments | 4,933,742,547.94 | 2,626,187,390.51 |
| Net increase in pledged loans | | |
| Net cash paid to acquire subsidiaries and other business entities | 1,022,609,528.71 | 50,849,649.93 |
| Other cash paid relating to investing activities | 1,072,500.00 | 21,760,550.90 |
| Sub-total of cash outflows from investing activities | <u>7,505,559,923.92</u> | <u>3,505,768,844.62</u> |
| Net cash flow from investing activities | <u><u>-4,351,585,955.96</u></u> | <u><u>-2,812,052,884.87</u></u> |
| 3. Cash flow from financing activities: | | |
| Cash received from capital contributions | | 5,873,205.70 |
| Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries | | 5,873,205.70 |
| Cash received from borrowings | 4,497,419,972.62 | 225,501,276.47 |
| Other cash received relating to financing activities | | |
| Sub-total of cash inflows from financing activities | <u>4,497,419,972.62</u> | <u>231,374,482.17</u> |
| Cash paid for repayments of borrowings | 120,530,146.56 | 733,294,156.72 |
| Cash payment for distribution of dividends, profits or interest expenses | 272,042,080.97 | 130,981,815.08 |
| Including: Dividends and profit paid by subsidiaries to non-controlling shareholders | | |
| Other cash paid relating to financing activities | 295,071,484.20 | 73,743,866.08 |
| Sub-total of cash outflow from financing activities | <u>687,643,711.73</u> | <u>938,019,837.88</u> |
| Net cash flows from financing activities | <u><u>3,809,776,260.89</u></u> | <u><u>-706,645,355.71</u></u> |

| Item | Amount of the current period | Amount of the previous period |
|---|---------------------------------|----------------------------------|
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | <u>-17,019,209.79</u> | <u>-49,813,574.49</u> |
| 5. Net increase in cash and cash equivalents | 856,946,689.33 | -2,409,468,432.12 |
| Add: Period-beginning balance of cash and cash equivalents | <u>2,353,933,839.46</u> | <u>4,442,218,224.31</u> |
| 6. Period-end balance of cash and cash equivalents | <u><u>3,210,880,528.79</u></u> | <u><u>2,032,749,792.19</u></u> |

(II) Description of Financial Statement Adjustment

1. Adjustment on items of the financial statements of the first year of adopting new leasing standards since 2021

Applicable N/A

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

Applicable N/A

(III) Audit Report

Whether the Third Quarterly Report has been audited

Yes No

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

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

1. Consolidated Statement of Profit or Loss¹

For the nine months ended September 30, 2021

| | Nine months ended September 30, | |
|---|--|--------------------|
| | 2021 | 2020 |
| | RMB'000 | RMB'000 |
| REVENUE | 5,301,533 | 3,585,968 |
| Cost of sales | <u>(3,367,321)</u> | <u>(2,238,172)</u> |
| Gross profit | 1,934,212 | 1,347,796 |
| Other income and gains | 214,433 | 205,639 |
| Other expenses | (40,510) | (13,611) |
| Selling and distribution expenses | (104,381) | (65,228) |
| Administrative expenses | (629,269) | (469,710) |
| Research and development costs | (109,852) | (69,048) |
| Impairment losses on financial and contract assets | (5,068) | (2,790) |
| Finance costs | (48,844) | (17,643) |
| Share of losses of associates | <u>(8,154)</u> | <u>(22,204)</u> |
| Profit before tax | 1,202,567 | 893,201 |
| Income tax expense | <u>(198,639)</u> | <u>(126,974)</u> |
| Profit for the period | <u>1,003,928</u> | <u>766,227</u> |
| Attributable to: | | |
| Owners of the parent | 1,040,063 | 789,043 |
| Non-controlling interests | <u>(36,135)</u> | <u>(22,816)</u> |
| | <u>1,003,928</u> | <u>766,227</u> |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | | |
| Basic | | |
| For profit for the period | <u>RMB1.3131</u> | <u>RMB0.9976</u> |
| Diluted | | |
| For profit for the period | <u>RMB1.3104</u> | <u>RMB0.9951</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, 2021

| | September 30, 2021 <i>RMB'000</i> | December 31, 2020 <i>RMB'000</i> |
|---|---|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 5,062,216 | 3,841,445 |
| Right-of-use assets | 656,066 | 567,630 |
| Investment properties | – | 43,889 |
| Goodwill | 1,813,810 | 1,166,172 |
| Other intangible assets | 180,578 | 189,976 |
| Investments in associates | 375,738 | 280,474 |
| Equity investments at fair value through profit or loss | 282,254 | 121,230 |
| Biological assets | 39,136 | – |
| Deferred tax assets | 15,557 | 8,436 |
| Other non-current assets | 455,790 | 149,162 |
| Total non-current assets | <u>8,881,145</u> | <u>6,368,414</u> |
| CURRENT ASSETS | | |
| Inventories | 175,849 | 128,757 |
| Contract costs | 189,005 | 152,860 |
| Trade receivables | 1,162,676 | 1,076,614 |
| Contract assets | 187,237 | 133,764 |
| Biological assets | 202,696 | – |
| Prepayments, other receivables and other assets | 785,623 | 196,020 |
| Financial assets at fair value through profit or loss | 1,632,060 | 825,312 |
| Derivative financial instruments | 29,893 | 84,698 |
| Pledged deposits | 23,130 | 7,263 |
| Cash and cash equivalents | 4,266,742 | 2,935,090 |
| Total current assets | <u>8,654,911</u> | <u>5,540,378</u> |
| CURRENT LIABILITIES | | |
| Interest-bearing bank borrowings | 425,838 | 386,146 |
| Trade payables | 283,662 | 191,497 |
| Other payables and accruals | 999,412 | 819,313 |
| Contract liabilities | 662,178 | 473,289 |
| Lease liabilities | 88,737 | 83,925 |
| Tax payable | 92,065 | 27,620 |
| Total current liabilities | <u>2,551,892</u> | <u>1,981,790</u> |
| NET CURRENT ASSETS | <u>6,103,019</u> | <u>3,558,588</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>14,984,164</u> | <u>9,927,002</u> |

| | September 30, 2021 RMB'000 | December 31, 2020 RMB'000 |
|--|---|---------------------------------|
| NON-CURRENT LIABILITIES | | |
| Interest-bearing bank borrowings | 933,201 | 394,811 |
| Deferred tax liabilities | 115,677 | 106,906 |
| Financial liabilities at fair value through profit or loss | – | 146,810 |
| Deferred income | 152,566 | 158,128 |
| Convertible bonds-debt component | 3,470,088 | – |
| Convertible bonds-embedded derivative component | 181,524 | – |
| Lease liabilities | 227,180 | 186,608 |
| | <hr/> | <hr/> |
| Total non-current liabilities | 5,080,236 | 993,263 |
| | <hr/> | <hr/> |
| NET ASSETS | 9,903,928 | 8,933,739 |
| | <hr/> <hr/> | <hr/> <hr/> |
| EQUITY | | |
| Share capital | 794,177 | 794,387 |
| Treasury shares | (145,241) | (45,475) |
| Convertible bonds-equity component | 198,554 | – |
| Reserves | 8,910,444 | 8,121,407 |
| | <hr/> | <hr/> |
| Equity attributable to owners of the parent | 9,757,934 | 8,870,319 |
| | <hr/> | <hr/> |
| Non-controlling interests | 145,994 | 63,420 |
| | <hr/> | <hr/> |
| Total equity | 9,903,928 | 8,933,739 |
| | <hr/> <hr/> | <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.

| | Nine months ended September 30, | |
|---|--|----------------|
| | 2021 | 2020 |
| | RMB'000 | RMB'000 |
| Profit attributable to owners of the parent | 1,040,063 | 789,043 |
| Add: | | |
| Share-based compensation expenses | 39,382 | 43,906 |
| Interest and issuance expense on convertible bonds | 33,126 | – |
| Losses on fair value change of convertible bonds-embedded derivative component | 27,111 | – |
| Foreign exchange related (gains)/losses | (18,768) | 11,377 |
| Non-IFRS net profit attributable to owners of the parent | 1,120,914 | 844,326 |
| Add: | | |
| Realized and unrealized gains from equity investments | (73,033) | (82,757) |
| Non-IFRS adjusted net profit attributable to owners of the parent | 1,047,881 | 761,569 |