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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)

2024 FIRST QUARTERLY REPORT

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

The following is the first quarterly report for 2024 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 first quarterly report for 2024 of the Company has not been audited.

By order of the Board
Pharmaron Beijing Co., Ltd.
康龍化成(北京)新藥技術股份有限公司
Dr. Lou Boliang
Chairman

Beijing, the PRC
April 25, 2024

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. Hu Baifeng and Mr. Li Jiaqing as non-executive Directors; Ms. Li Lihua, Mr Zhou Qilin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.

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**

2024 FIRST QUARTERLY REPORT

April 2024

IMPORTANT NOTICE:

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

- 2. The person in charge of the Company, the Chief Financial Officer and the person in charge of Accounting Department (accounting head) of the Company warrant the truthfulness, accuracy and completeness of the financial information contained in the Quarterly Report.**

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

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

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

Yes No

	The reporting period	The corresponding period of the previous year	Increase/ (decrease) of the reporting period as compared with the corresponding period of the previous year
Revenue (<i>RMB</i>)	2,670,740,738.16	2,723,970,949.97	-1.95%
Net profit attributable to owners of the parent (<i>RMB</i>)	230,557,834.70	348,255,328.87	-33.80%
Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>RMB</i>)	187,348,765.62	347,028,775.82	-46.01%
Non-IFRS adjusted net profit attributable to owners of the parent (<i>RMB</i>)	338,816,299.13	438,339,247.42	-22.70%
Net cash flows from operating activities (<i>RMB</i>)	745,630,586.78	530,139,954.34	40.65%
Basic earnings per share (<i>RMB/share</i>) (<i>Note</i>)	0.1300	0.1968	-33.94%
Diluted earnings per share (<i>RMB/share</i>) (<i>Note</i>)	0.1298	0.1967	-34.01%
Return on net assets on weighted average basis	1.83%	3.24%	-1.41%

	As at the end of the reporting period	As at the end of the previous year	Increase/ (decrease) at the end of the reporting period as compared with the end of the previous year
Total assets (<i>RMB</i>)	25,243,967,050.83	26,476,712,835.60	-4.66%
Net assets attributable to owners of the parent (<i>RMB</i>)	12,687,089,142.67	12,556,797,361.42	1.04%

Note : In June 2023, the annual general meeting of the Company approved the Profit Distribution Plan for 2022 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 restated the basic earnings per share and diluted earnings per share for the corresponding period of the previous year based on the number of shares outstanding after the completion of such capitalization of reserve.

Revenue, cost and gross profit margin by products or services for the first quarter of 2024 as well as their period-on-period changes are as follows:

Unit: RMB

By products or services	The reporting period			The corresponding period of the previous year		Gross profit margin	Increase/ (decrease) in revenue as compared with the corresponding period of the previous year
	Revenue	Cost	Gross profit margin	Revenue	Cost		
Laboratory services	1,604,576,678.01	896,353,710.78	44.14%	1,652,771,147.35	917,657,717.36	44.48%	-2.92%
CMC (small molecule CDMO) services	582,104,488.92	419,683,083.44	27.90%	598,082,721.53	401,037,940.58	32.95%	-2.67%
Clinical development services	391,531,326.06	355,058,667.05	9.32%	374,328,454.23	321,859,976.34	14.02%	4.60%
Biologics and CGT services	91,431,425.24	126,726,472.62	-38.60%	95,389,512.56	106,592,234.92	-11.74%	-4.15%

During the Reporting Period, the Company's revenue temporarily declined, as a result of the impact of the global biotech funding environment and the slowdown of the growth of customer demands. With improved request for proposals and customer visits in the first quarter of 2024, the Company's new purchase orders increased by over 20% during the Reporting Period. The Company remains committed to supporting its partners' success in discovery, development and commercialization of innovative medicines and contributing to human health, and strives to meet the target set at the beginning of the year.

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

Applicable N/A

Unit: RMB

Item	The reporting period	Note
Gains or losses from disposal of non-current assets (including written-off portion of provisions for assets impairment)	-19,995,540.51	It was due to losses from disposal of non-current assets.
Government grants included in profit/(loss) of the current period (except for those closely related to the Company's ordinary business and granted that are based on defined criteria and have a continuing effect on the company's profit or loss)	18,481,317.10	It was mainly due to government subsidies related to daily activities.
Gains or losses on changes in fair value of arising from financial assets, financial liabilities held by non-financial company, and investment income from disposal of financial assets, financial liabilities held by non-financial company, except effective hedging activities related to the Company's normal business operations.	56,845,071.65	It was mainly due to the Company's repurchase of partial Convertible Bonds and gains related to investment in wealth management products.
Other non-operating income and expenses other than the above items	-217,484.61	
Less: Effect of income tax	11,457,008.15	
Impact on non-controlling interests (after tax)	447,286.40	
Total	<u>43,209,069.08</u>	

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

Applicable N/A

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

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

Applicable N/A

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

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

√ Applicable □ N/A

Item	As at the end of the reporting period/ amount of the current period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Net profit attributable to owners of the parent	230,557,834.70	348,255,328.87	-33.80%	Net profit attributable to owners of the parent decreased by 33.80% on a period-on-period basis during the reporting period, mainly due to a temporarily decrease in revenue, increase in costs and period expenses on a period-on-period basis.
Net profit attributable to owners of the parent excluding non-recurring gains or losses	187,348,765.62	347,028,775.82	-46.01%	Net profit attributable to owners of the parent excluding non-recurring gains or losses decreased by 46.01% on a period-on-period basis during the reporting period, mainly due to the decrease in net profit attributable to owners of the parent during the reporting period.
Net cash flows from operating activities	745,630,586.78	530,139,954.34	40.65%	Net cash flows from operating activities increased by 40.65% on a period-on-period basis during the reporting period, mainly due to the period-on-period increase in cash collections on sales during the reporting period.
Basic earnings per share	0.1300	0.1968	-33.94%	Basic earnings per share decreased by 33.94% on a period-on-period basis during the reporting period, mainly due to the decrease in net profit attributable to owners of the parent during the reporting period.

Item	As at the end of the reporting period/ amount of the current period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Diluted earnings per share	0.1298	0.1967	-34.01%	Diluted earnings per share decreased by 34.01% on a period-on-period basis during the reporting period, mainly due to the decrease in net profit attributable to owners of the parent during the reporting period.
Prepayments	26,050,817.78	17,808,809.79	46.28%	Prepayments increased by RMB8,242,000 as compared with the balance at the beginning of the year, representing an increase of 46.28%, mainly due to the increase in prepayments for raw material purchases.
Bond payables	2,530,105,298.14	3,891,500,601.59	-34.98%	Bonds payables decreased by RMB1,361,395,300 as compared with the balance at the beginning of the year, representing a decrease of 34.98%, which was due to the repurchase of partial Convertible Bonds during the reporting period.
Other equity instruments	118,044,049.78	198,554,160.44	-40.55%	Other equity instruments decreased by RMB80,510,100 as compared with the balance at the beginning of the year, representing a decrease of 40.55%, which was due to the repurchase of partial Convertible Bonds during the reporting period.

Item	As at the end of the reporting period/ amount of the current period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Other comprehensive income	-59,702,067.74	-4,830,087.99	-1,136.05%	Other comprehensive income decreased by RMB54,872,000 as compared with the balance at the beginning of the year, representing a decrease of 1,136.05%, mainly due to the changes in cash flow hedging reserve.
Taxes and surcharges	29,651,442.41	17,014,313.95	74.27%	Taxes and surcharges increased by RMB12,637,100 on a period-on-period basis during the reporting period, representing an increase of 74.27%, mainly due to the period-on-period increase in urban maintenance and construction tax, education surcharge and property tax.
Finance expenses	63,437,988.33	39,342,484.19	61.25%	Finance expenses increased by RMB24,095,500 on a period-on-period basis during the reporting period, representing an increase of 61.25%, mainly due to the period-on-period increase in interest expenses.
Investment income	46,569,164.93	16,791,039.74	177.35%	Investment income increased by RMB29,778,100 representing an increase of 177.35% on a period-on-period basis during the reporting period, mainly due to the repurchase of partial Convertible Bonds during the reporting period.
Gains on change in fair value	-1,126,884.09	28,584,829.77	-103.94%	Gains on change in fair value decreased by RMB29,711,700 representing a decrease of 103.94% on a period-on-period basis, mainly due to the decrease in gains on change in fair value of biological assets.

Item	As at the end of the reporting period/ amount of the current period (RMB)	Balance at the beginning of the year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Credit impairment losses	-6,215,128.36	-2,812,836.08	120.96%	It was due to the period-on-period increase in credit impairment losses on trade receivables during the reporting period.
Assets impairment losses	-254,355.30	-1,548,748.62	-83.58%	It was due to the period-on-period decrease in impairment losses on inventories during the reporting period.
Gains on disposal of assets	-19,995,540.51	113,995.09	-17,640.70%	It was due to the period-on-period increase in losses on disposal of non-current assets during the reporting period.
Non-operating income	491,487.61	361,610.64	35.92%	It was mainly due to the period-on-period increase in government subsidies related to non-daily activities received by the Company during the reporting period.
Non-operating expenses	287,172.22	5,332,270.74	-94.61%	It was due to the period-on-period decrease in losses arising from the disposal of biological assets during the reporting period.
Income tax expenses	52,699,288.45	76,454,199.06	-31.07%	During the reporting period, the income tax expenses decreased due to a decrease in profit before tax.

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	85,011	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 (excluding shares lent through refinancing)

Name of shareholders	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	16.87%	301,502,043.00	0.00	N/A	0.00
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	14.59%	260,827,958.00	0.00	N/A	0.00
PHARMARON HOLDINGS LIMITED	Overseas legal person	10.10%	180,496,500.00	0.00	N/A	0.00
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	3.89%	69,557,206.00	0.00	N/A	0.00
Mr. LOU Xiaoqiang (樓小強)	Domestic natural person	3.39%	60,540,050.00	45,405,037.00	Pledge	30,213,000.00
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	2.49%	44,498,506.00	0.00	N/A	0.00
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	2.25%	40,135,026.00	0.00	Pledge	20,035,000.00
Hong Kong Securities Clearing Company Limited	Overseas legal person	1.69%	30,172,080.00	0.00	N/A	0.00
Bank of China Limited – Huabao CSI Health Care ETF (Exchange Traded Fund) (中國銀行股份有限公司－華寶中證醫療交易型開放式指數證券投資基金)	Other	1.41%	25,160,961.00	0.00	N/A	0.00
Industrial and Commercial Bank of China Limited – Zhong Ou Medical Innovation Equity Securities Investment Fund (中國工商銀行股份有限公司－中歐醫療創新型股票型證券投資基金)	Other	1.33%	23,695,225.00	0.00	N/A	0.00

Shareholdings of top 10 shareholders not subject to trading restrictions

Unit: share

Name of shareholders	Number of shares not subject to trading restrictions	Class	Class of shares	Number
HKSCC NOMINEES LIMITED	301,502,043.00		Oversea-listed foreign shares	301,502,043.00
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥))	260,827,958.00		RMB-denominated ordinary shares	260,827,958.00
PHARMARON HOLDINGS LIMITED	180,496,500.00		RMB-denominated ordinary shares	180,496,500.00
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)	69,557,206.00		RMB-denominated ordinary shares	69,557,206.00
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	44,498,506.00		RMB-denominated ordinary shares	44,498,506.00
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	40,135,026.00		RMB-denominated ordinary shares	40,135,026.00
Hong Kong Securities Clearing Company Limited	30,172,080.00		RMB-denominated ordinary shares	30,172,080.00
Bank of China Limited – Huabao CSI Health Care ETF (Exchange Traded Fund) (中國銀行股份有限公司－華寶中證醫療交易型開放式指數證券投資基金)	25,160,961.00		RMB-denominated ordinary shares	25,160,961.00
Industrial and Commercial Bank of China Limited – Zhong Ou 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)	23,695,225.00		RMB-denominated ordinary shares	23,695,225.00
Tianjin Junlian Wenda Equity Investment Partnership (Limited Partnership)(天津君聯聯達股權投資合夥企業(有限合夥))	23,535,557.00		RMB-denominated ordinary shares	23,535,557.00
Description of connected relationships or concerted actions of the above shareholders				<ol style="list-style-type: none"> 1. Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥)) and Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) are the shareholding entities controlled by CITIC M&A Fund Management Co., Ltd. (中信併購基金管理有限公司). 2. Mr. LOU Xiaoqiang (樓小強), a shareholder of the Company, owns 100% equity interests of Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司); and Dr. LOU Boliang (樓柏良), Mr. LOU Xiaoqiang (樓小強)'s brother, is the director of Pharmaron Holdings Limited. 3. Both the fund managers of Zhong Ou Medical Innovation Equity Securities Investment Fund and Industrial and Commercial Bank of China Limited-Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund are Zhong Ou Fund Management Co., Ltd.. <p>The Company is not aware of any connected relationship or concerted action among the top 10 shareholders not subject to trading restrictions and between the top 10 shareholders not subject to trading restrictions and the top 10 shareholders other than those set forth above.</p>
Description of securities margin trading business by top 10 shareholders (if any)				N/A

Lending of shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders not subject to trading restrictions in the refinancing business

Applicable N/A

Unit: share

Lending of shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders not subject to trading restrictions in the refinancing business								
Name of shareholders (full name)	Period beginning shares held in general account and credit account		Period beginning shares lent by refinancing and not yet returned		Period end shares held in general account and credit account		Period end shares lent by refinancing and not yet returned	
	Total number	Percentage of total share capital	Total number	Percentage of total share capital	Total number	Percentage of total share capital	Total number	Percentage
Bank of China Limited – Huabao CSI Health Care ETF (Exchange Traded Fund) (中國銀行股份有限公司 – 華寶中證醫療交易型開放式指數證券投資基金)	25,892,311	1.45%	710,200	0.04%	25,160,961	1.41%	1,039,200	0.06%

Changes in the top 10 shareholders and top 10 shareholders not subject to trading restrictions compared to the previous period due to securities lending/repayment in the refinancing business

Applicable N/A

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

Applicable N/A

(III) Change in shares subject to trading restrictions

√ Applicable □ N/A

Unit: share

Name of shareholders	Period beginning shares subject to trading restrictions	Number of shares released from trading restrictions during the reporting period	Increase in shares subject to trading restrictions during the reporting period	Period-end shares subject to trading restrictions	Reason for trading restrictions	Proposed date of release from trading restrictions
Mr. LOU Xiaoqiang (樓小強)	51,041,250.00	5,636,213.00	0.00	45,405,037.00	Locked shares held by the director/supervisor/senior management	The locked shares held by the director/supervisor/senior management is released from trading restrictions in accordance with relevant laws and regulations
Ms. ZHENG Bei (鄭北)	13,162,500.00	1,350,000.00	0.00	11,812,500.00	Locked shares held by the director/supervisor/senior management	The locked shares held by the director/supervisor/senior management is released from trading restrictions in accordance with relevant laws and regulations
Ms. Li Lihua (李麗華)	56,250.00	0.00	0.00	56,250.00	Locked shares held by the director/supervisor/senior management	The locked shares held by the director/supervisor/senior management is released from trading restrictions in accordance with relevant laws and regulations
Total	<u>64,260,000.00</u>	<u>6,986,213.00</u>	<u>0.00</u>	<u>57,273,787.00</u>		

III. OTHER SIGNIFICANT EVENTS

√ Applicable □ N/A

Other significant events during the reporting period are summarized in the table below:

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	January 25, 2024	Announcement on the Vesting Results of the Second Vesting Period and Share Listing of the 2021 A Share Restricted Share Incentive Scheme, disclosure website: (https://www1.hkexnews.hk)
Progress of 2022 A Share Incentive Scheme	January 25, 2024	Announcement on the Vesting Results of the First Vesting Period and Share Listing of the 2022 A Share Restricted Share Incentive Scheme, disclosure website: (https://www1.hkexnews.hk)
Hangzhou Dejia Chengyu Phase II Equity Investment Partnership (Limited Partnership), in which the company has invested, has amended its partnership agreement.	February 9, 2024	Announcement on the update of Participating in Private Equity Investment Funds, disclosure website: (https://www1.hkexnews.hk)

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.
March 31, 2024

	<i>Unit: RMB</i>	
Item	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Cash and bank balances	4,633,337,568.45	5,918,915,276.72
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	574,794,379.00	621,983,351.26
Derivative financial assets		
Note receivables		127,660.00
Trade receivables	2,086,825,230.47	2,242,025,579.78
Trade receivables financing		
Prepayments	26,050,817.78	17,808,809.79
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	141,235,258.31	113,133,478.22
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	1,071,430,884.44	1,013,079,365.83
Including: Data resource		
Contract assets	424,479,887.08	394,265,071.48
Assets held for sale		
Non-current assets due within one year	145,660,350.00	144,333,621.48
Other current assets	344,564,874.23	408,740,991.45
Total current assets	9,448,379,249.76	10,874,413,206.01

Item	Balance at the end of the period	Balance at the beginning of the period
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	737,053,092.75	722,945,600.93
Other investments in equity instruments		
Other non-current financial assets	283,703,976.78	282,031,957.16
Investment properties		
Fixed assets	6,626,289,217.88	6,496,642,105.34
Construction in progress	2,741,537,529.56	2,632,539,049.05
Productive biological assets	156,906,966.88	157,632,636.31
Oil & gas assets		
Right-of-use assets	644,988,906.25	775,629,201.06
Intangible assets	787,461,860.83	789,056,704.67
Including: Data resource		
Development expenses		
Including: Data resource		
Goodwill	2,778,040,034.00	2,780,917,692.84
Long-term deferred expenses	503,914,974.81	520,471,609.64
Deferred tax assets	193,400,685.78	153,217,789.92
Other non-current assets	342,290,555.55	291,215,282.67
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Total non-current assets	15,795,587,801.07	15,602,299,629.59
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Total assets	25,243,967,050.83	26,476,712,835.60
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Item	Balance at the end of the period	Balance at the beginning of the period
Current liabilities:		
Short-term borrowings	534,473,540.58	577,071,212.28
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities	32,972,000.00	26,930,963.59
Derivative financial liabilities		
Note payables		
Trade payables	385,085,101.38	412,220,642.83
Advances from customers		
Contract liabilities	836,875,819.89	740,865,682.85
Financial assets sold for repurchase		
Customer and inter-bank deposits		
Deposit for securities trading brokerage		
Deposit for securities underwriting brokerage		
Employee benefits payables	727,832,657.40	668,660,715.70
Tax payables	236,068,106.05	237,947,974.18
Other payables	647,540,068.07	630,536,221.66
Including: Interests payables		
Dividend payables		
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	329,991,358.56	335,656,839.78
Other current liabilities	25,264,527.18	24,585,599.48
	<hr/>	<hr/>
Total current liabilities	<u>3,756,103,179.11</u>	<u>3,654,475,852.35</u>

Item	Balance at the end of the period	Balance at the beginning of the period
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	4,392,085,547.88	4,308,164,504.99
Bond payables	2,530,105,298.14	3,891,500,601.59
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	466,155,001.41	585,197,420.63
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	386,493,497.91	391,706,830.73
Deferred tax liabilities	266,644,856.87	290,039,272.53
Other non-current liabilities	89,368,910.59	117,582,015.01
	<hr/>	<hr/>
Total non-current liabilities	8,130,853,112.80	9,584,190,645.48
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	11,886,956,291.91	13,238,666,497.83
	<hr/> <hr/>	<hr/> <hr/>
Equity:		
Share capital	1,787,394,297.00	1,787,394,297.00
Other equity instruments	118,044,049.78	198,554,160.44
Including: Preferred shares		
Perpetual bonds		
Capital reserve	5,256,692,439.13	5,221,576,402.17
Less: Treasury shares	463,451,960.00	463,451,960.00
Other comprehensive income	-59,702,067.74	-4,830,087.99
Specific reserve		
Surplus reserve	613,042,254.15	613,042,254.15
General risk provision		
Retained earnings	5,435,070,130.35	5,204,512,295.65
Total equity attributable to the owners of the parent	12,687,089,142.67	12,556,797,361.42
Non-controlling interests	669,921,616.25	681,248,976.35
	<hr/>	<hr/>
Total equity	13,357,010,758.92	13,238,046,337.77
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and equity	25,243,967,050.83	26,476,712,835.60
	<hr/> <hr/>	<hr/> <hr/>

Legal representative:
LOU Boliang

Chief Financial Officer:
LI Shing Chung Gilbert

Person in charge of
Accounting Department:
LI Shing Chung Gilbert

2. Consolidated Income Statement

Unit: RMB

Item	Amount of the current period	Amount of the previous period
1. Total revenue		
Including: Revenue	2,670,740,738.16	2,723,970,949.97
Interest income	2,670,740,738.16	2,723,970,949.97
Insurance premium earned		
Fee and commission income		
2. Total cost	2,439,362,705.75	2,352,273,096.85
Including: Cost	1,798,591,802.04	1,749,004,676.24
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	29,651,442.41	17,014,313.95
Selling expenses	55,467,527.84	55,696,586.36
Administrative expenses	398,607,981.14	414,376,134.80
Research and development costs	93,605,963.99	76,838,901.31
Finance expenses	63,437,988.33	39,342,484.19
Including: Interest expenses	70,567,975.72	46,806,366.43
Interest income	24,328,292.59	6,526,981.05
Add: Other income	18,059,517.10	18,745,599.72
Investment income (“-” indicating loss)	46,569,164.93	16,791,039.74
Including: Income from investments in associates and joint ventures	-12,483,519.33	11,915,106.81
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)	-1,126,884.09	28,584,829.77
Credit impairment losses (“-” indicating loss)	-6,215,128.36	-2,812,836.08
Assets impairment losses (“-” indicating loss)	-254,355.30	-1,548,748.62
Gains on disposal of assets (“-” indicating loss)	-19,995,540.51	113,995.09
3. Operating profit (“-” indicating loss)	268,414,806.18	431,571,732.74
Add: Non-operating income	491,487.61	361,610.64
Less: Non-operating expenses	287,172.22	5,332,270.74

Item	Amount of the current period	Amount of the previous period
4. Profit before tax (“-” indicating total loss)	268,619,121.57	426,601,072.64
Less: Income tax expenses	52,699,288.45	76,454,199.06
5. Net profit (“-” indicating net loss)	215,919,833.12	350,146,873.58
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	215,919,833.12	350,146,873.58
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent	230,557,834.70	348,255,328.87
2. Net profit attributable to non-controlling interests	-14,638,001.58	1,891,544.71
6. Other comprehensive income, net of tax	-53,277,635.07	-870,264.06
Other comprehensive income attributable to owners of the parent, net of tax	-54,871,979.75	-1,141,130.45
(i) Other comprehensive income that may not be reclassified to profit or loss		
1. Changes arising from remeasurement under defined benefit plan		
2. Other comprehensive income that may not be transferred to gain or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		

Item	Amount of the current period	Amount of the previous period
(ii) Other comprehensive income that will be reclassified to profit or loss	-54,871,979.75	-1,141,130.45
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. Credit impairment allowance of other debt investments		
5. Cash flow hedging reserve	-46,330,149.15	-5,103,023.19
6. Exchange difference on translation of foreign financial statements	-8,541,830.60	3,961,892.74
7. Others		
Other comprehensive income attributable to the non-controlling interests, net of tax	1,594,344.68	270,866.39
7. Total comprehensive income	162,642,198.05	349,276,609.52
(i) Total comprehensive income attributable to owners of the parent	175,685,854.95	347,114,198.42
(ii) Total comprehensive income attributable to the non-controlling interests	-13,043,656.90	2,162,411.10
8. Earnings per share:		
(i) Basic earnings per share	0.1300	0.1968
(ii) Diluted earnings per share	0.1298	0.1967

Legal representative:
LOU Boliang

Chief Financial Officer:
LI Shing Chung Gilbert

Person in charge of
Accounting Department:
LI Shing Chung Gilbert

3. Consolidated Statement of Cash Flows

Item	<i>Unit: RMB</i>	
	Amount of the current period	Amount of the previous period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,904,955,644.37	2,460,618,193.07
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	181,201,776.87	130,642,202.04
Other cash received relating to operating activities	51,836,914.18	95,984,923.42
Sub-total of cash inflow from operating activities	3,137,994,335.42	2,687,245,318.53
Cash paid for goods and services	553,365,919.95	503,788,677.58
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	1,313,660,048.35	1,154,867,678.38
Cash paid for taxes and surcharges	155,141,776.68	113,267,560.07
Other cash paid relating to operating activities	370,196,003.66	385,181,448.16
Sub-total of cash outflow from operating activities	2,392,363,748.64	2,157,105,364.19
Net cash flow from operating activities	745,630,586.78	530,139,954.34

Item	Amount of the current period	Amount of the previous period
2. Cash flow from investing activities:		
Cash received from disposal of investments	1,105,629,401.97	1,582,584,000.00
Cash received from return on investments	5,749,513.59	14,842,120.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	81,183.76	574,832.87
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	<u>1,111,460,099.32</u>	<u>1,598,000,953.07</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	498,619,941.26	784,842,461.85
Cash paid to acquire investments	1,079,934,202.73	691,374,508.94
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities		
Other cash paid relating to investing activities	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	<u>1,578,554,143.99</u>	<u>1,476,216,970.79</u>
Net cash flow from investing activities	<u><u>-467,094,044.67</u></u>	<u><u>121,783,982.28</u></u>

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

1. Consolidated Statement of Profit or Loss¹

For the three months ended March 31, 2024

	Three months ended March 31,	
	2024	2023
	RMB'000	RMB'000
REVENUE	2,670,741	2,723,971
Cost of sales	<u>(1,811,402)</u>	<u>(1,753,690)</u>
Gross profit	859,339	970,281
Other income and gains	111,100	74,889
Other expenses	(46,990)	(19,045)
Selling and distribution expenses	(55,468)	(55,697)
Administrative expenses	(416,288)	(429,117)
Research and development costs	(93,606)	(76,839)
Impairment losses on financial and contract assets	(6,416)	(2,979)
Finance costs	(70,568)	(46,806)
Share of (losses)/profit of associates	<u>(12,484)</u>	<u>11,915</u>
Profit before tax	268,619	426,602
Income tax expense	<u>(52,699)</u>	<u>(76,454)</u>
Profit for the period	<u>215,920</u>	<u>350,148</u>
Attributable to:		
Owners of the parent	230,558	348,255
Non-controlling interests	<u>(14,638)</u>	<u>1,893</u>
	<u>215,920</u>	<u>350,148</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic		
For profit for the period	<u>RMB0.1300</u>	<u>RMB0.1968</u>
Diluted		
For profit for the period	<u>RMB0.1298</u>	<u>RMB0.1967</u>

1 Any discrepancies in data below between the total shown and the sum of the amounts listed are due to rounding

2. Consolidated Statement of Financial Position²

March 31, 2024

	March 31, 2024 <i>RMB'000</i>	December 31, 2023 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	10,073,150	9,851,705
Right-of-use assets	1,013,268	1,146,142
Goodwill	2,778,040	2,780,918
Other intangible assets	217,775	216,492
Investments in associates	737,053	722,946
Equity investments at fair value through profit or loss	283,704	282,032
Biological assets	156,907	157,633
Deferred tax assets	193,401	153,218
Other non-current assets	342,291	291,214
	<hr/>	<hr/>
Total non-current assets	15,795,589	15,602,300
CURRENT ASSETS		
Inventories	402,391	365,479
Contract costs	184,180	155,877
Trade and bills receivables	2,086,825	2,242,153
Contract assets	424,480	394,265
Biological assets	484,860	491,724
Prepayments, other receivables and other assets	657,511	684,017
Financial assets at fair value through profit or loss	568,777	594,333
Derivative financial instruments	6,017	27,650
Pledged deposits	66,720	127,750
Cash and cash equivalents	4,566,617	5,791,165
	<hr/>	<hr/>
Total current assets	9,448,378	10,874,413
CURRENT LIABILITIES		
Interest-bearing bank borrowings	703,630	727,412
Trade payables	385,085	412,221
Other payables and accruals	1,450,902	1,377,183
Contract liabilities	836,876	740,866
Lease liabilities	160,835	185,316
Derivative financial instruments	32,972	26,931
Tax payable	185,803	184,547
	<hr/>	<hr/>
Total current liabilities	3,756,103	3,654,476
	<hr/>	<hr/>
NET CURRENT ASSETS	5,692,275	7,219,937
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>21,487,864</u>	<u>22,822,237</u>

	March 31, 2024 RMB'000	December 31, 2023 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	4,392,086	4,308,165
Deferred tax liabilities	266,645	290,039
Financial liabilities at fair value through profit or loss	89,369	117,582
Deferred income	386,493	391,707
Convertible bonds-debt component	2,530,105	3,891,501
Lease liabilities	466,155	585,197
	<hr/>	<hr/>
Total non-current liabilities	8,130,853	9,584,191
	<hr/>	<hr/>
NET ASSETS	13,357,011	13,238,046
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	1,787,394	1,787,394
Treasury shares	(463,452)	(463,453)
Equity component of convertible bonds	118,044	198,554
Reserves	11,245,103	11,034,302
	<hr/>	<hr/>
Equity attributable to owners of the parent	12,687,089	12,556,797
	<hr/>	<hr/>
Non-controlling interests	669,922	681,249
	<hr/>	<hr/>
Total equity	13,357,011	13,238,046
	<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.

	Three months ended March 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to owners of the parent	<u>230,558</u>	<u>348,255</u>
Add:		
Share-based compensation expenses	32,916	60,370
Convertible Bonds related (gains)/losses	(7,099)	39,493
Foreign exchange related losses/(gains)	25,063	(804)
Realized and unrealized losses/(gains) from equity investments	13,362	(8,975)
One-off loss made by Pharmaron Shanghai Co., Ltd. due to the business close	<u>44,016</u>	<u>—</u>
Non-IFRS adjusted net profit attributable to owners of the parent	<u><u>338,816</u></u>	<u><u>438,339</u></u>

In the first quarter of 2024, non-IFRS adjusted net profit attributable to owners of the parent decreased by 22.7% as compared with the corresponding period of the previous year.