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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)

2023 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 2023 of the Company. The financial data contained in this quarterly report is, except for section (IV) in Part III which has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standard Board (the “**IFRSs**”) or as otherwise indicated, prepared in accordance with the PRC Accounting Standards for Business Enterprises. The first quarterly report for 2023 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 27, 2023

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

* *For identification purposes only*

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

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

2023 FIRST QUARTERLY REPORT

April 2023

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>)	2,723,970,949.97	2,102,899,933.93	29.53%
Net profit attributable to owners of the parent (<i>RMB</i>)	348,255,328.87	249,086,573.60	39.81%
Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>RMB</i>)	347,028,775.82	310,563,849.47	11.74%
Non-IFRS adjusted net profit attributable to owners of the parent (<i>RMB</i>)	438,339,247.42	364,396,375.05	20.29%
Net cash flows from operating activities (<i>RMB</i>)	530,139,954.34	417,792,056.81	26.89%
Basic earnings per share (<i>RMB/share</i>) (<i>Note 1</i>)	0.2952	0.2103	40.37%
Diluted earnings per share (<i>RMB/share</i>) (<i>Note 1</i>)	0.2951	0.2099	40.59%
Return on net assets on weighted average basis	3.24%	2.46%	0.78 percentage points

	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>)	21,047,569,183.56	20,492,557,228.07	2.71%
Net assets attributable to owners of the parent (<i>RMB</i>)	10,979,426,501.16	10,548,615,357.20	4.08%

Note 1: In May 2022, the general meeting of the Company approved the Profit Distribution Plan for 2021 which included the issuance of capitalization shares on the basis of 5 capitalization shares for every existing 10 shares of the Company by way of capitalization of reserve. The Company has 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 2023 as well as their period-on-period changes are as follows:

Unit: RMB

By products or services	The reporting period			The corresponding period of the previous year			Increase/ (decrease) in revenue as compared with the corresponding period of the previous year
	Revenue	Cost	Gross profit margin	Revenue	Cost	Gross profit margin	
Laboratory services	1,652,771,147.35	917,657,717.36	44.48%	1,273,998,259.72	739,280,025.73	41.97%	29.73%
CMC (small molecule CDMO) services	598,082,721.53	401,037,940.58	32.95%	461,518,057.85	329,312,091.11	28.65%	29.59%
Clinical development services	374,328,454.23	321,859,976.34	14.02%	265,326,829.33	252,990,435.32	4.65%	41.08%
Biologics and CGT services	95,389,512.56	106,592,234.92	-11.74%	94,874,552.95	78,881,954.49	16.86%	0.54%

Note: The Company has initially completed the construction and integration of the R&D service capabilities for Biologics and CGT services. In order to reflect our business condition more scientifically and accurately, the Company has made amendments to the calibre of “by products or services” during the reporting period.

The Company is a leading fully-integrated pharmaceutical R&D services platform with global operations to accelerate drug innovation for our customers, providing fully-integrated drug research, development and manufacturing services throughout the research and development cycle. During the Reporting Period, the Company achieved revenue of RMB2,723.9709 million, representing a period-on-period increase of 29.53%. The gross profit margin of the principal business reached 35.78% (33.17% in the same period of the previous year), up by 2.61 percentage points year-on-year, as a result of economies of scale and improved operational efficiency.

By adhering to the long-standing growth strategy of building “end-to-end, fully integrated and global” services platform, the Company has a wide business presence in China and overseas. During the Reporting Period, the Company’s laboratories and manufacturing facilities in China, which serve the global customers, recorded a period-on-period revenue growth of 30.13%, accounting for 87.02% of the consolidated revenue; the Company’s laboratories and manufacturing facilities overseas recorded a period-on-period revenue growth of 25.69%, accounting for 12.98% of the revenue. In terms of customer analysis, North American customers remain the most significant source of the Company’s revenue. During the Reporting Period, the revenue from customers in North America accounted for 66.64%, with an increase of 34.74% on a period-on-period basis; revenue from customers in EU (including U.K.) accounted for 14.81%, with an increase of 38.12% on a period-on-period basis; revenue from customers in China accounted for 16.12%, with an increase of 11.27% on a period-on-period basis; and revenue from customers in other regions accounted for 2.43%. The Company continued to adhere to the “Customer Centric” corporate philosophy, serving a large, diverse and loyal customer base that includes the global top 20 pharmaceutical companies, among which: the revenue of such customer from the global top 20 pharmaceutical companies accounted for 14.76% of the revenue of the Company, with an increase of 28.07% on a period-on-period basis; the revenue from listed biopharmaceutical companies accounted for 35.22%, with an increase of 36.94% on a period-on-period basis; and the revenue from private biopharmaceutical companies and research institutes accounted for 50.02% of the revenue of the Company, with an increase of 25.19% on a period-on-period basis.

(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)	113,995.09	
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)	18,969,599.72	It was mainly due to government subsidies related to daily activities that were received by the Company for 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	-9,970,876.44	
Other non-operating income and expenses other than the above items	-5,194,660.10	
Less: Effect of income tax	2,720,383.46	
Impact on non-controlling interests (after tax)	-28,878.24	
Total	<u>1,226,553.05</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	348,255,328.87	249,086,573.60	39.81%	Net profit attributable to owners of the parent increased by 39.81% on a period-on-period basis during the reporting period, mainly due to the Company's overall development in good shape with ever-growing income.
Basic earnings per share	0.2952	0.2103	40.37%	Basic earnings per share increased by 40.37% on a period-on-period basis during the reporting period, mainly due to the increase in net profit attributable to owners of the parent during the reporting period.
Diluted earnings per share	0.2951	0.2099	40.59%	Diluted earnings per share increased by 40.59% on a period-on-period basis during the reporting period, mainly due to the increase in net profit attributable to owners of the parent during the reporting period.
Cash and bank balances	2,055,504,003.16	1,497,483,832.74	37.26%	Cash and bank balances increased by RMB558,020,200 as compared with the balance at the beginning of the year, representing an increase of 37.26%. For details, please refer to the consolidated statement of cash flows.
Held-for-trading financial assets	491,097,985.51	745,362,386.95	-34.11%	Held-for-trading financial assets decreased by RMB254,264,400 as compared with the balance at the beginning of the year, representing a decrease of 34.11%, which was mainly due to the redemption of medium-risk and low-risk wealth management products during the reporting period.
Non-current assets due within one year	3,642,001.00	2,646,548.00	37.61%	Non-current assets due within one year increased by RMB995,500 as compared with the balance at the beginning of the year, representing an increase of 37.61%, which was mainly due to the increase in debt investments due within one year.
Other current assets	326,301,020.59	916,800,123.60	-64.41%	Other current assets decreased by RMB590,499,100 as compared with the balance at the beginning of the year, representing a decrease of 64.41%, which was mainly due to the recovery of matured wealth management products with a fixed interest rate included in other current assets.
deferred income	219,269,620.67	152,375,033.01	43.90%	deferred income decreased by RMB66,894,600 as compared with the balance at the beginning of the year, representing an increase of 43.90%, which was mainly due to the increase in government subsidies received by the Company relating to its assets.
Other comprehensive income	-2,434,141.81	-1,293,011.36	-88.25%	Other comprehensive income decreased by RMB1,141,100 as compared with the balance at the beginning of the year. Changes are minor.

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
Administrative expenses	414,376,134.80	290,519,778.50	42.63%	Administrative expenses increased by RMB123,856,400, representing an increase of 42.63% on a period-on-period basis during the reporting period, mainly due to an increase in the number of the Company's executives and labor costs as a result of the expansion of the Company's business scale. Meanwhile the share-based compensation also increased accordingly.
Research and development costs	76,838,901.31	39,647,299.50	93.81%	Research and development costs increased by RMB37,191,600, representing an increase of 93.81% on a period-on-period basis during the reporting period, mainly due to the Company's enhanced efforts to improve research and development capabilities and technical expertise, continue increasing research and development spending.
Other income	18,745,599.72	8,991,153.38	108.49%	Other income increased by RMB9,754,400, representing an increase of 108.49% on a period-on-period basis during the reporting period, mainly due to the increase in government subsidies related to daily activities received by the Company.
Investment income	16,791,039.74	2,437,442.71	588.88%	Investment income increased by RMB14,353,600, representing an increase of 588.88% on a period-on-period basis during the reporting period, mainly due to an increase in investment income from associates.
Gains on change in fair value	28,584,829.77	44,958,124.17	-36.42%	Gains on change in fair value decreased by RMB16,373,300, representing a decrease of 36.42% on a period-on-period basis during the reporting period, mainly due to the decrease in gains on change in fair value of biological assets.
Credit impairment losses	-2,812,836.08	2,293,993.82	222.62%	It was due to the period-on-period increase in credit impairment losses on trade receivables during the reporting period.
Assets impairment losses	-1,548,748.62	-2,681,465.84	-42.24%	It was due to the period-on-period decrease in impairment losses on contract assets during the reporting period.
Gains on disposal of assets	113,995.09	-474,698.97	124.01%	It was due to an increase in gains on disposal of non-current assets during the reporting period.
Non-operating income	361,610.64	763,199.06	-52.62%	It was mainly due to the decrease in government subsidies related to non-daily activities received by the Company during the reporting period as compared with the same period last year.

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	63,326	Total number of preferred shareholders whose voting rights have been reinstated as at the end of the reporting period (if any)	0
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Shareholdings of top 10 shareholders

Name of 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%	201,001,393.00	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	15.00%	178,735,472.00	0.00		
PHARMARON HOLDINGS LIMITED	Overseas legal person	11.06%	131,761,000.00	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	4.07%	48,511,773.00	0.00		
Mr. LOU Xiaoqiang (樓小強)	Domestic natural person	3.76%	44,780,000.00	34,027,500.00	Pledge	14,307,000.00
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	Domestic non-state-owned legal person	2.60%	30,959,404.00	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	2.50%	29,750,017.00	0.00	Pledge	14,566,500.00
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.46%	29,283,090.00	0.00		
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	1.73%	20,627,638.00	0.00		
Beihai Duotai Investment Co., Ltd. (北海多泰創業投資有限公司)	Domestic non-state-owned legal person	1.48%	17,584,657.00	0.00	Pledge	8,600,000.00

Shareholdings of top 10 holders of shares 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	201,001,393.00	Oversea-listed foreign shares		201,001,393.00
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥))	178,735,472.00	RMB-denominated ordinary shares		178,735,472.00
PHARMARON HOLDINGS LIMITED	131,761,000.00	RMB-denominated ordinary shares		131,761,000.00
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)	48,511,773.00	RMB-denominated ordinary shares		48,511,773.00
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥))	30,959,404.00	RMB-denominated ordinary shares		30,959,404.00
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	29,750,017.00	RMB-denominated ordinary shares		29,750,017.00
Hong Kong Securities Clearing Company Limited	29,283,090.00	RMB-denominated ordinary shares		29,283,090.00
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))	20,627,638.00	RMB-denominated ordinary shares		20,627,638.00
Beihai Duotai Investment Co., Ltd. (北海多泰創業投資有限公司)	17,584,657.00	RMB-denominated ordinary shares		17,584,657.00
Mr. YU Yuejiang (鬱岳江)	14,155,363.00	RMB-denominated ordinary shares		14,155,363.00
Description of connected relationships or concerted actions of the above shareholders	1.	Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信中康成投資合夥企業(有限合夥)) and Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) are the shareholding entities controlled by CITIC M&A Fund(中信併購基金).		
	2.	Mr. LOU Xiaoqiang (樓小強), a shareholder of the Company, owns 100% equity interests of Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司); Ms. ZHENG Bei (鄭北), Mr. LOU Xiaoqiang (樓小強)'s spouse, owns 100% equity interests of Beihai Duotai Investment Co., Ltd. (北海多泰創業投資有限公司), and Dr. LOU Boliang (樓柏良), Mr. LOU Xiaoqiang (樓小強)'s brother, is the director of Pharmaron Holdings Limited.		
Description of securities margin trading business by top 10 shareholders (if any)	The top 10 shareholders of the Company have no connected relationship other than those set forth above. N/A			

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

Applicable N/A

(III) Change in shares subject to trading restrictions

Applicable N/A

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)	37,687,500.00	3,660,000.00	0.00	34,027,500.00	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. ZHENG Bei (鄭北)	8,775,000.00	0.00	0.00	8,775,000.00	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)	37,500.00	0.00	0.00	37,500.00	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
Holders of other shares subject to trading restrictions	1,669,260.00	0.00	0.00	1,669,260.00	Restricted shares under the Share Incentive Scheme	May 15, 2023
Total	<u>48,169,260.00</u>	<u>3,660,000.00</u>	<u>0.00</u>	<u>44,509,260.00</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 20, 2023	Announcement on the Vesting Results of the First Vesting Period and Share Listing of the 2021 A Share Restricted Share Incentive Scheme, disclosure website: (https://www1.hkexnews.hk)
Change of the general partner and manager of 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)) invested by the Company	February 24, 2023	Announcement on the Progress of Participating in Private Equity Investment Fund, disclosure website: (https://www1.hkexnews.hk)
Announcement on the Progress of Equity Financing of Pharmaron (Ningbo) Biologics Co., Ltd.	March 31, 2023	Announcement on Equity Financing and Related Party Transactions of Wholly-owned Subsidiaries, disclosure website: (https://www1.hkexnews.hk)
Progress of 2019 A Share Incentive Scheme	March 31, 2023	Announcement on the Fulfillment of the Conditions for Unlocking the Third Unlocking Period for the First Grant under the 2019 Restricted Share and Share Option Incentive Scheme, but with the Shares not be Listed Temporarily, disclosure website: (https://www1.hkexnews.hk)
2023 A Share Incentive Scheme	March 31, 2023	2023 A Share Restricted Share Incentive Scheme (Draft), List of Participants under the First Grant of 2023 A Share Restricted Share Incentive Scheme, and Administrative Measures for the Implementation Assessment of 2023 A Share Restricted Share Incentive Scheme, 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, 2023

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and bank balances	2,055,504,003.16	1,497,483,832.74
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	491,097,985.51	745,362,386.95
Derivative financial assets		
Note receivables		
Trade receivables	2,066,226,582.06	1,881,882,496.40
Trade receivables financing		
Prepayments	29,888,312.23	23,038,888.13
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	118,922,309.14	94,730,280.43
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	1,072,500,491.04	1,041,461,328.57
Contract assets	394,500,925.51	332,600,762.17
Assets held for sale		
Non-current assets due within one year	3,642,001.00	2,646,548.00
Other current assets	326,301,020.59	916,800,123.60
Total current assets	<u>6,558,583,630.24</u>	<u>6,536,006,646.99</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Disbursement of loans and advances		
Debt investments	137,434,000.00	139,292,000.00
Other debt investments		
Long-term receivables		
Long-term equity investments	638,223,819.28	629,971,822.34
Other investments in equity instruments		
Other non-current financial assets	263,095,320.22	239,048,489.56
Investment properties		
Fixed assets	5,859,359,940.45	5,664,695,770.80
Construction in progress	1,989,735,835.47	1,670,806,366.21
Productive biological assets	179,628,265.58	178,015,956.71
Oil & gas assets		
Right-of-use assets	912,217,244.94	950,248,038.46
Intangible assets	828,789,982.20	802,534,534.78
Development expenses		
Goodwill	2,687,643,912.33	2,687,864,845.33
Long-term deferred expenses	480,826,077.91	496,375,228.34
Deferred tax assets	69,375,959.10	58,789,031.37
Other non-current assets	442,655,195.84	438,908,497.18
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Total non-current assets	14,488,985,553.32	13,956,550,581.08
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Total assets	21,047,569,183.56	20,492,557,228.07
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Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	664,082,212.03	662,767,390.14
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities	25,546,592.30	30,035,458.60
Derivative financial liabilities		
Note payables		
Trade payables	428,663,964.13	406,347,908.05
Advances from customers		
Contract liabilities	792,080,125.03	832,139,334.18
Financial assets sold for repurchase		
Customer and inter-bank deposits		
Deposit for securities trading brokerage		
Deposit for securities underwriting brokerage		
Employee benefits payables	704,070,546.06	623,558,852.25
Tax payables	194,109,086.63	188,287,058.90
Other payables	839,379,987.50	908,116,886.40
Including: Interests payables		
Dividend payables	1,686,881.81	1,862,416.91
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	262,275,739.15	238,979,262.01
Other current liabilities	24,553,752.07	22,200,555.28
Total current liabilities	<u>3,994,350,904.90</u>	<u>3,912,432,705.81</u>
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	764,005,893.73	713,341,596.37
Bond payables	3,743,732,592.86	3,740,919,424.93
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	720,818,018.65	760,514,557.58
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	219,269,620.67	152,375,033.01
Deferred tax liabilities	267,520,084.38	261,013,075.52
Other non-current liabilities	122,851,164.01	112,093,119.68
Total non-current liabilities	<u>5,838,197,374.30</u>	<u>5,740,256,807.09</u>
Total liabilities	<u>9,772,959,379.20</u>	<u>9,652,689,512.90</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Equity:		
Share capital	1,191,224,554.00	1,191,224,554.00
Other equity instruments	198,554,160.44	198,554,160.44
Including: Preferred shares		
Perpetual bonds		
Capital reserve	5,320,151,667.08	5,254,362,259.50
Less: Treasury shares	650,202,847.64	668,037,563.30
Other comprehensive income	-2,434,141.81	-1,293,011.36
Specific reserve		
Surplus reserve	421,424,033.70	421,424,033.70
General risk provision		
Retained earnings	4,500,709,075.39	4,152,380,924.22
Total equity attributable to the owners of the parent	10,979,426,501.16	10,548,615,357.20
Non-controlling interests	295,183,303.20	291,252,357.97
	<hr/> <hr/>	<hr/> <hr/>
Total equity	11,274,609,804.36	10,839,867,715.17
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and equity	21,047,569,183.56	20,492,557,228.07
	<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
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2. Consolidated Income Statement

Unit: RMB

Item	Amount of the current period	Amount of the previous period
1. Total revenue	2,723,970,949.97	2,102,899,933.93
Including: Revenue	2,723,970,949.97	2,102,899,933.93
Interest income		
Insurance premium earned		
Fee and commission income		
2. Total cost	2,352,273,096.85	1,838,358,908.07
Including: Cost	1,749,004,676.24	1,407,271,726.88
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	17,014,313.95	13,861,572.56
Selling expenses	55,696,586.36	46,824,384.82
Administrative expenses	414,376,134.80	290,519,778.50
Research and development costs	76,838,901.31	39,647,299.50
Finance expenses	39,342,484.19	40,234,145.81
Including: Interest expenses	46,806,366.43	39,554,973.36
Interest income	6,526,981.05	12,530,219.56
Add: Other income	18,745,599.72	8,991,153.38
Investment income (“-” indicating loss)	16,791,039.74	2,437,442.71
Including: Income from investments in associates and joint ventures	11,915,106.81	-7,402,982.10
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)	28,584,829.77	44,958,124.17
Credit impairment losses (“-” indicating loss)	-2,812,836.08	2,293,993.82
Assets impairment losses (“-” indicating loss)	-1,548,748.62	-2,681,465.84
Gains on disposal of assets (“-” indicating loss)	113,995.09	-474,698.97

Item	Amount of the current period	Amount of the previous period
3. Operating profit (“-” indicating loss)	431,571,732.74	320,065,575.13
Add: Non-operating income	361,610.64	763,199.06
Less: Non-operating expenses	5,332,270.74	4,649,626.49
4. Profit before tax (“-” indicating total loss)	426,601,072.64	316,179,147.70
Less: Income tax expenses	76,454,199.06	79,226,971.10
5. Net profit (“-” indicating net loss)	350,146,873.58	236,952,176.60
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	350,146,873.58	236,952,176.60
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent	348,255,328.87	249,086,573.60
2. Net profit attributable to non-controlling interests	1,891,544.71	-12,134,397.00
6. Other comprehensive income, net of tax	-870,264.06	-55,027,624.76
Other comprehensive income attributable to owners of the parent, net of tax	-1,141,130.45	-54,967,398.29
(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	-1,141,130.45	-54,967,398.29
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	-5,103,023.19	2,533,509.48
6. Exchange difference on translation of foreign financial statements	3,961,892.74	-57,500,907.77
7. Others		
Other comprehensive income attributable to the non-controlling interests, net of tax	270,866.39	-60,226.47
7. Total comprehensive income	349,276,609.52	181,924,551.84
(i) Total comprehensive income attributable to owners of the parent	347,114,198.42	194,119,175.31
(ii) Total comprehensive income attributable to the non-controlling interests	2,162,411.10	-12,194,623.47
8. Earnings per share:		
(i) Basic earnings per share	0.2952	0.2103
(ii) Diluted earnings per share	0.2951	0.2099

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

Unit: RMB

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	2,460,618,193.07	2,098,537,796.81
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	130,642,202.04	105,090,779.73
Other cash received relating to operating activities	95,984,923.42	17,662,222.42
Sub-total of cash inflow from operating activities	2,687,245,318.53	2,221,290,798.96
Cash paid for goods and services	503,788,677.58	473,474,152.83
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	1,154,867,678.38	889,692,471.91
Cash paid for taxes and surcharges	113,267,560.07	119,216,262.60
Other cash paid relating to operating activities	385,181,448.16	321,115,854.81
Sub-total of cash outflow from operating activities	2,157,105,364.19	1,803,498,742.15
Net cash flow from operating activities	530,139,954.34	417,792,056.81

Item	Amount of the current period	Amount of the previous period
2. Cash flow from investing activities:		
Cash received from disposal of investments	1,582,584,000.00	2,296,285,069.70
Cash received from return on investments	14,842,120.20	24,229,978.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	574,832.87	846,987.58
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>1,598,000,953.07</u>	<u>2,321,362,035.46</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	784,842,461.85	673,311,927.27
Cash paid to acquire investments	691,374,508.94	1,597,962,236.79
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities		474,919,155.94
Other cash paid relating to investing activities	_____	_____
Sub-total of cash outflows from investing activities	<u>1,476,216,970.79</u>	<u>2,746,193,320.00</u>
Net cash flow from investing activities	<u><u>121,783,982.28</u></u>	<u><u>-424,831,284.54</u></u>

Item	Amount of the current period	Amount of the previous period
3. Cash flow from financing activities:		
Cash received from capital contributions		
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries		
Cash received from borrowings	64,297,458.96	77,352,571.81
Other cash received relating to financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	64,297,458.96	77,352,571.81
	<hr/>	<hr/>
Cash paid for repayments of borrowings	4,313,211.32	148,808,175.04
Cash payment for distribution of dividends, profits or interest expenses	14,265,297.27	13,390,072.57
Including: Dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash paid relating to financing activities	46,368,347.74	213,264,273.81
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	64,946,856.33	375,462,521.42
	<hr/>	<hr/>
Net cash flows from financing activities	<u>-649,397.37</u>	<u>-298,109,949.61</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	<u>-20,511,754.28</u>	<u>-21,034,731.55</u>
5. Net increase in cash and cash equivalents	630,762,784.97	-326,183,908.89
Add: Period-beginning balance of cash and cash equivalents	1,359,712,740.14	2,769,709,458.55
	<hr/>	<hr/>
6. Period-end balance of cash and cash equivalents	<u>1,990,475,525.11</u>	<u>2,443,525,549.66</u>

(II) Audit Report

Whether the First Quarterly Report has been audited

Yes No

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

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

1. Consolidated Statement of Profit or Loss¹

For the three months ended March 31, 2023

	Three months ended March 31,	
	2023	2022
	RMB'000	RMB'000
REVENUE	2,723,971	2,102,900
Cost of sales	<u>(1,753,690)</u>	<u>(1,410,123)</u>
Gross profit	970,281	692,777
Other income and gains	74,889	141,556
Other expenses	(19,045)	(82,245)
Selling and distribution expenses	(55,697)	(46,824)
Administrative expenses	(429,117)	(303,591)
Research and development costs	(76,839)	(39,647)
Impairment (losses)/reversal on financial and contract assets	(2,979)	1,112
Finance costs	(46,806)	(39,555)
Share of profit/(losses)of associates	<u>11,915</u>	<u>(7,403)</u>
Profit before tax	426,602	316,180
Income tax expense	<u>(76,454)</u>	<u>(79,227)</u>
Profit for the period	<u>350,148</u>	<u>236,953</u>
Attributable to:		
Owners of the parent	348,255	249,087
Non-controlling interests	<u>1,893</u>	<u>(12,134)</u>
	<u>350,148</u>	<u>236,953</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic		
For profit for the period	<u>RMB0.2952</u>	<u>RMB0.2103</u>
Diluted		
For profit for the period	<u>RMB0.2951</u>	<u>RMB0.2099</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, 2023

	March 31, 2023 <i>RMB'000</i>	December 31, 2022 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	8,521,389	8,021,814
Right-of-use assets	1,324,225	1,329,698
Goodwill	2,687,644	2,687,865
Other intangible assets	225,316	233,148
Investments in associates	638,224	629,972
Equity investments at fair value through profit or loss	263,095	239,048
Biological assets	179,628	178,016
Deferred tax assets	69,376	58,789
Other non-current assets	580,089	578,201
	<hr/>	<hr/>
Total non-current assets	14,488,986	13,956,551
CURRENT ASSETS		
Inventories	367,162	361,572
Contract costs	186,125	182,610
Trade receivables	2,066,227	1,881,882
Contract assets	394,501	332,601
Biological assets	519,213	497,279
Prepayments, other receivables and other assets	478,754	1,037,216
Financial assets at fair value through profit or loss	443,298	694,472
Derivative financial instruments	47,800	50,890
Pledged deposits	42,591	49,255
Cash and cash equivalents	2,012,913	1,448,229
	<hr/>	<hr/>
Total current assets	6,558,584	6,536,006
CURRENT LIABILITIES		
Interest-bearing bank borrowings	742,424	737,712
Trade payables	428,664	406,348
Other payables and accruals	1,605,312	1,596,275
Contract liabilities	792,080	832,140
Lease liabilities	183,934	164,034
Derivative financial instruments	25,547	30,035
Tax payable	156,801	145,889
	<hr/>	<hr/>
Total current liabilities	3,934,762	3,912,433
NET CURRENT ASSETS	<hr/> 2,623,822	<hr/> 2,623,573
TOTAL ASSETS LESS CURRENT LIABILITIES	<hr/> 17,112,808	<hr/> 16,580,124

	March 31, 2023 RMB'000	December 31, 2022 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	764,006	713,342
Deferred tax liabilities	267,520	261,013
Financial liabilities at fair value through profit or loss	122,851	112,093
Deferred income	219,270	152,374
Convertible bonds-debt component	3,743,733	3,740,919
Lease liabilities	720,818	760,515
	<hr/>	<hr/>
Total non-current liabilities	5,838,198	5,740,256
	<hr/>	<hr/>
NET ASSETS	11,274,610	10,839,868
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Share capital	1,191,225	1,191,225
Treasury shares	(650,203)	(668,037)
Equity component of convertible bonds	198,554	198,554
Reserves	10,239,851	9,826,874
	<hr/>	<hr/>
Equity attributable to owners of the parent	10,979,427	10,548,616
	<hr/>	<hr/>
Non-controlling interests	295,183	291,252
	<hr/>	<hr/>
Total equity	11,274,610	10,839,868
	<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,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to owners of the parent	348,255	249,087
Add:		
Share-based compensation expenses	60,370	15,877
Convertible Bonds related losses	39,493	34,370
Foreign exchange related (gains)/losses	(804)	6,306
Realized and unrealized (gains)/losses from equity investments	(8,975)	58,756
Non-IFRS adjusted net profit attributable to owners of the parent	438,339	364,396

In the first quarter of 2023, non-IFRS adjusted net profit attributable to owners of the parent increased by 20.3% as compared with the corresponding period of the previous year.