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Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團(天津)股份有限公司

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

(Stock Code: 6821)

2023 FIRST QUARTERLY REPORT

This announcement is made by Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司) (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 (the “**Listing Rules**”) 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 prepared in accordance with the Chinese Accounting Standards for Business Enterprises. The first quarterly report for 2023 of the Company has not been audited.

The first quarterly report for 2023 of the Company is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the report shall prevail.

By order of the Board

Asymchem Laboratories (Tianjin) Co., Ltd.

Dr. Hao Hong

Chairman of the Board, Executive Director and Chief Executive Officer

Tianjin, April 28, 2023

As of the date of this announcement, the Board of Directors of the Company comprises Dr. Hao Hong as the Chairman of the Board of Directors and executive Director, Ms. Yang Rui, Mr. Zhang Da and Mr. Hong Liang as executive Directors, Dr. Ye Song and Ms. Zhang Ting as non-executive Directors, and Ms. Zhang Kun, Mr. Wang Qingsong and Mr. Lee, Kar Chung Felix as independent non-executive Directors.

Asymchem Laboratories (Tianjin) Co., Ltd.

2023 FIRST QUARTERLY REPORT

The Company and all the directors of the Company (the “**Directors**”) hereby confirm that the information disclosed herein is true, accurate and complete, and that there is no false representation, misleading statement or material omission.

IMPORTANT NOTICE:

1. The board of directors of the Company (the “**Board**”), the supervisory committee of the Company and the senior management confirm that this report does not contain any false information, misleading statements or material omissions, and individually and collectively accept responsibility for the truthfulness, accuracy and completeness of its contents.
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 hereby confirm the truthfulness, accuracy and completeness of the financial report contained in this quarterly report.
3. Whether the first quarterly report is audited or not
☐ Yes ☒ No

I. MAJOR ACCOUNTING DATA

(I) Major Accounting Data and Financial Indicators

Does the Company require a retroactive adjustment or restatement on the financial data of previous period

☐ Yes ☒ No

	The Reporting Period	Same period of the last year	Increase/ decrease as compared with the same period of the last year
Operating Revenue (<i>RMB</i>)	2,249,034,497.62	2,061,708,856.14	9.09%
Net profit attributable to shareholders of the parent (<i>RMB</i>)	630,346,004.43	499,398,084.81	26.22%
Net profit attributable to shareholders of the parent after deducting non-recurring profit or loss (<i>RMB</i>)	617,637,901.61	486,390,519.38	26.98%
Net cash flow from operating activities (<i>RMB</i>)	1,303,525,263.66	204,607,061.83	537.09%
Basic earnings per share (<i>RMB per share</i>)	1.72	1.36	26.47%
Diluted earnings per share (<i>RMB per share</i>)	1.72	1.36	26.47%
Weighted average return on net assets	3.95%	3.88%	0.07%
	At the end of the current Reporting Period	At the end of last year	Increase/ decrease as at the end of the Reporting Period as compared to the end of the last year
Total assets (<i>RMB</i>)	18,546,760,048.14	18,239,273,651.93	1.69%
Owners' equity attributable to shareholders of the parent (<i>RMB</i>)	16,324,854,569.41	15,647,427,643.90	4.33%

(II) Non-recurring Profit or Loss Items and Amount

☒ Applicable ☐ Not Applicable

Unit: RMB

Items	Amount in the Reporting Period
Gains or losses on disposal of non-current assets (including the written-off portion of provision for asset impairment)	-72,777.84
Government subsidies included in profit or loss for the current period (excluding the sustained quota or amount subsidized according to the state policies that are closely relevant to the Company's normal operations)	16,789,852.74
Apart from effective hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets and 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	-1,333,973.72
Other non-operating gain and loss other than the above	-175,955.49
Less: Effect of income tax	2,281,071.85
Effect of minority interests (after tax)	217,971.02
Total	<u>12,708,102.82</u>

Details of other profit or loss items that meet the definition of non-recurring profits or losses

☐ Applicable ☒ Not Applicable

The Company has no other profit or loss items that meet the definition of non-recurring profits or losses.

Explanation on the non-recurring profit or loss items listed in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-recurring Profits or Losses as recurring profit or loss items

☐ Applicable ☒ Not Applicable

The Company does not define the non-recurring profit or loss items listed in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-recurring Profits or Losses as recurring profit or loss items.

(III) Changes in the Major Accounting Data and Financial Indicators and the Reasons Therefor

✓Applicable □ Not Applicable

I. Items of balance sheet	Closing balances	Opening balances	Percentage of change	Reasons for change
Inventory	1,108,074,043.37	1,510,413,102.90	-26.64%	Primarily due to the continuous delivery of orders in production by the Company.
Accounts payable	370,719,075.63	568,892,374.37	-34.84%	Primarily due to the Company settling raw material payments with suppliers in the current period.
Salaries payable	120,071,707.24	348,802,918.33	-65.58%	Primarily due to the payment of year-end and quarterly bonuses in the current period.
II. Income statement items	Amount for the period	Amount for previous period	Percentage of change	Reasons for change
Selling expenses	33,816,085.13	20,540,724.40	64.63%	Primarily due to the expansion of the Company into domestic and foreign markets, leading to an increase in sales teams and personnel salaries both domestically and internationally.
R&D expenses	162,096,744.48	130,883,695.56	23.85%	Primarily due to continuous promotion of R&D investment by the Company based on the eight major R&D center platforms.
Finance expenses	36,870,940.95	48,368,735.63	-23.77%	Primarily due to the impact of exchange rate fluctuations on exchange gains or losses and an increase in interest income.

III. Items of the cash flow statement	Amount for the period	Amount for previous period	Percentage of change	Reasons for change
Cash received from sale of goods and rendering of services	2,755,212,399.12	1,855,113,552.16	48.52%	Primarily due to an increase in the Company's operating revenue.
Cash paid for purchase of goods and receipt of labor services	638,798,212.57	1,003,677,026.11	-36.35%	Primarily due to the Company purchasing more raw materials for large orders in early 2022.
Cash paid to and for employees	747,054,838.83	499,047,853.25	49.70%	Primarily due to an increase in salaries, social security and other expenses as the Company's personnel increase.
Cash received from disinvestment	8,368,856,153.32	607,807,000.00	1276.89%	Primarily due to the expiration of the Company's low-risk principal-protected wealth management products of banks.
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	305,476,465.63	613,515,781.54	-50.21%	Primarily due to the Company's moderate slowdown in fixed assets investment since the second half of 2022.
Cash paid for investments	8,421,570,566.30	1,099,322,000.00	666.07%	Primarily due to the company's purchase of low-risk principal-protected wealth management products from banks.

(IV) General Information of the Company and Brief Summary of the Operation during the Reporting Period

1. General Information of the Company

Asymchem is a world-leading, technology-driven one-stop pharmaceutical outsourcing service provider. It accelerates the clinical research and commercial application of innovative drugs by providing domestic and international pharmaceutical and biotech companies with one-stop CMC services throughout the drug lifecycle, as well as efficient and high-quality R&D and manufacturing services. Leveraging our industry insights, established R&D and manufacturing capabilities, and premium reputation among customers accumulated in over 20 years, the Company has become an integral part of the global industry chain for innovative drugs and a reliable partner of first choice for the global pharmaceutical industry. We have 20 years of service experience and technology accumulation in the small molecule CDMO field and are exploring and rolling out new businesses to build a professional one-stop service platform.

2. Overview of the Operation during the Reporting Period

In 2023, the business guideline of the Company is to “continue to deepen the cooperation with large customers and expand small and medium-sized customers, expand markets in Europe and Japan, and improve cost control and efficiency.” The Company will adhere to the technology-driven strategy and achieve business upgrade through iterative computation of technology, and continue to promote the steady growth of core small molecule CDMO business. At the same time, the Company will strongly promote the rapid development of strategic emerging businesses, and promote more drug category CDMO services and multiple service businesses.

During the Reporting Period, the Company recorded a total revenue of RMB2.249 billion, representing an increase of 9.09% year-on-year, and recorded an overseas revenue of RMB1.926 billion, representing an increase of 6.61% year-on-year; as well as recorded a domestic revenue of RMB323 million, representing an increase of 26.59% year-on-year. The Company recorded a gross profit of RMB1.089 billion, representing an increase of 16.71% year-on-year, and recorded an gross profit margin of 48.40%, increased by 3.16% compared to the same period last year, primarily benefiting from the continuous delivery of large orders. The Company achieved net profit attributable to the parent of RMB630 million, representing an increase of 26.22% year-on-year; net profit excluding non-recurring profit or loss attributable to the parent of RMB618 million, representing an increase of 26.98% year-on-year; and adjusted net profit attributable to the parent under non-IFRS of RMB701 million, representing an increase of 26.69% year-on-year.

(1) Small molecule CDMO business

During the Reporting Period, the Company achieved revenue of RMB2.000 billion from small molecule CDMO business, representing an increase of 4.31% year-on-year. If large orders are excluded, the revenue from small molecule CDMO business increased by 45.37% year-on-year, among which the revenue from large pharmaceutical companies increased by over 60% year-on-year.

During the Reporting Period, the Company achieved gross profit of RMB1.006 billion from small molecule CDMO business, representing an increase of 15.48% year-on-year, and gross profit margin of 50.30%, increased by 4.86% compared to the same period last year.

(2) Emerging businesses

Leveraging our competitive advantages accumulated in the small molecule segment, the Company rapidly extrapolated the relevant advantages to new businesses such as chemical macromolecule, clinical research services, drug product, biological macromolecule and biosynthesis technology. During the Reporting Period, we achieved revenue of RMB249.0 million from emerging business, representing an increase of 72.54% year-on-year, gross profit of RMB83.0 million, and gross profit margin of 33.18%.

II. INFORMATION OF SHAREHOLDERS

(I) Total Number of Ordinary Shareholders and Number of Preferred Shareholders with Restored Voting Rights and Shareholdings of the Top Ten Shareholders

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	73,675	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any)	0
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Shareholdings of the top ten shareholders

Name of Shareholder	Nature of Shareholder	Shareholding ratio (%)	Number of shares held	Number of restricted shares held	Pledged, tagged or frozen Share status	Number
ASYMCHAM LABORATORIES, INCORPORATED	Foreign legal person	31.12%	115,133,168			
HKSCC NOMINEES LIMITED Note [1]	Foreign legal person	7.45%	27,553,260			
Industrial and Commercial Bank of China Limited – Central Europe Health Hybrid Securities Investment Fund (中國工商銀行股份有限公司 – 中歐醫療健康混合型證券投資基金)	Others	4.47%	16,547,230			
HAO HONG	Foreign natural person	3.86%	14,268,699	10,701,524		
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	Foreign legal person	2.68%	9,895,510			
Tianjin Guorong Business Information Co., Ltd. (天津國榮商務信息諮詢有限公司)	Domestic non-state-owned legal person	1.77%	6,555,504			
Bank of China Limited – Guangfa 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)	Others	1.12%	4,135,343			
Industrial and Commercial Bank of China Limited – Central Europe Healthcare 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)	Others	1.10%	4,059,199			
Bank of China Limited – Hwabao CSI Medical ETF (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)	Others	1.00%	3,683,900			
Bank of China Limited – CMS International Biomedical Index Grading Securities Investment Fund(中國銀行股份有限公司 – 招商國證生物醫藥指數分級證券投資基金)	Others	0.99%	3,666,452			

Shareholding of top ten shareholders without selling restrictions

Name of Shareholder	Number of shares held without selling restrictions	Types of shares	
		Types of shares	Number
ASYMCHEM LABORATORIES, INCORPORATED	115,133,168	RMB-dominated ordinary shares	115,133,168
HKSCC NOMINEES LIMITED Note [1]	27,553,260	Overseas listed foreign shares	27,553,260
Industrial and Commercial Bank of China Limited – Central Europe Health Hybrid Securities Investment Fund (中國工商銀行股份有限公司 – 中歐醫療健康混合型證券投資基金)	16,547,230	RMB-dominated ordinary shares	16,547,230
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	9,895,510	RMB-dominated ordinary shares	9,895,510
Tianjin Guorong Business Information Co., Ltd. (天津國榮商務信息諮詢有限公司)	6,555,504	RMB-dominated ordinary shares	6,555,504
Bank of China Limited – Guangfa 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)	4,135,343	RMB-dominated ordinary shares	4,135,343
Industrial and Commercial Bank of China Limited – Central Europe Healthcare 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)	4,059,199	RMB-dominated ordinary shares	4,059,199
Bank of China Limited – Hwabao CSI Medical ETF (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)	3,683,900	RMB-dominated ordinary shares	3,683,900
Bank of China Limited – CMS International Biomedical Index Grading Securities Investment Fund (中國銀行股份有限公司 – 招商國證生物醫藥指數分級證券投資基金)	3,666,452	RMB-dominated ordinary shares	3,666,452
HAO HONG	3,567,175	RMB-dominated ordinary shares	3,567,175

Illustrations on the connected relationship or acting in concert for the shareholders above

Dr. HAO HONG is the controlling shareholder and de facto controller of ALAB and is related to ALAB. Save for the above connected relationship, the Company is not aware of other shareholders who were connected or acted in concert with each other.

Note [1]: HKSCC NOMINEES LIMITED, being HKSCC Nominees Limited, holds shares on behalf of various customers.

Margin trading and short selling by top ten shareholders (if any)	Tianjin Guorong Business Information Co., Ltd. held 1,935,504 shares through ordinary securities accounts and 4,620,000 shares through credit securities accounts, totaling 6,555,504 shares.
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(II) Other Notes

The 2022 third extraordinary general meeting, the 2022 third A Share class meeting and the 2022 third H Share class meeting of the Company held on September 2, 2022 considered and approved the Resolution on the Share Repurchase Plan of the Company (《關於回購公司股份方案的議案》). The time frame for such share repurchase was from September 5, 2022 to November 10, 2022, and the Company made a repurchase of 5,229,266 Shares of the Company in aggregate through centralized bidding transactions via designated securities account for share repurchase, representing 1.4134% of the total share capital of A Share and H Share of the Company. The repurchase has already been completed.

(III) Total Number of Preferred Shareholders and Shareholdings of the Top Ten Preferred Shareholdings of the Company

☐ Applicable ☒ Not Applicable

III. OTHER SIGNIFICANT EVENTS

☒ Applicable ☐ Not Applicable

On November 17, 2022, the Company held the 32nd meeting of the fourth session of the Board to consider and approve the Resolution on the Draft and Summary of the 2022 Employee Share Ownership Plan of the Company (《關於公司〈2022年員工持股計畫(草案)〉及其摘要的議案》), the Resolution on the Administrative Measures for the 2022 Employee Share Ownership Plan of the Company (《關於公司〈2022年員工持股計畫管理辦法〉的議案》) and the Resolution on the Submission to the Company's General Meeting to Authorize the Board to Handle Matters in Relation to the 2022 Employee Share Ownership Plan of the Company (《關於提請公司股東大會授權董事會辦理公司2022年員工持股計畫相關事宜的議案》). The above matters have been considered and approved at the 2022 fifth extraordinary general meeting held on December 16, 2022. As of the end of the Reporting Period, the transfer procedures of this employee share ownership plan have not yet completed.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statement

1. Consolidated Balance Sheet

Prepared by: Asymchem Laboratories (Tianjin) Co., Ltd.
March 31, 2023

Unit: RMB

Item	Closing balances	Opening balance
Current Assets:		
Monetary funds	5,887,170,244.64	5,289,594,427.89
Clearing settlement funds		
Placements to banks and other financial institutions		
Financial assets held for trading	2,523,468,549.13	2,151,061,843.96
Derivative financial assets		
Bills receivable		
Accounts receivable	1,992,381,105.58	2,451,148,108.59
Financing receivables		
Prepayments	41,953,047.76	110,672,166.29
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	130,690,792.26	118,550,508.85
Of which: Interest receivable		
Dividend receivable		
Financial assets held under resale agreements		
Inventories	1,108,074,043.37	1,510,413,102.90
Contract assets	97,354,413.34	63,976,639.26
Assets held for sale		
Non-current assets due within one year		
Other current assets	196,399,147.25	165,041,574.61
Total current assets	11,977,491,343.33	11,860,458,372.35

Item	Closing balances	Opening balance
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	277,114,203.00	277,256,004.50
Other equity instrument investments		
Other non-current financial assets	138,879,796.07	113,075,903.88
Investment property		
Fixed assets	3,898,208,195.48	3,622,374,416.37
Construction in progress	924,139,570.45	1,072,482,185.74
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	118,015,932.72	124,190,854.03
Intangible assets	470,286,147.78	473,203,704.84
Development expenditure		
Goodwill	146,183,447.05	146,183,447.05
Long-term prepaid expenses	134,458,072.65	135,066,936.68
Deferred income tax assets	211,363,565.87	177,857,982.20
Other non-current assets	250,619,773.74	237,123,844.29
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Total non-current assets	<u>6,569,268,704.81</u>	<u>6,378,815,279.58</u>
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Total assets	<u>18,546,760,048.14</u>	<u>18,239,273,651.93</u>
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Item	Closing balances	Opening balance
Current liabilities:		
Short-term liabilities		
Borrowings from central bank		
Due to banks and other financial institutions		
Financial liabilities held for trading	2,491,539.80	
Derivative financial liabilities		
Bills payable		
Accounts payable	370,719,075.63	568,892,374.37
Receipts in advance		
Contract liabilities	342,102,563.70	277,329,570.85
Financial assets sold under repurchase agreements		
Deposits from customers and other banks		
Accounts payable to brokerage clients		
Funds payable to securities issuers		
Staff remuneration payable	120,071,707.24	348,802,918.33
Taxes payable	119,691,210.27	117,351,604.46
Other payables	793,482,495.18	836,141,688.18
Of which: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	24,790,157.06	28,486,776.50
Other current liabilities		90,342.35
Total current liabilities	<u>1,773,348,748.88</u>	<u>2,177,095,275.04</u>

Item	Closing balances	Opening balance
Non-current liabilities:		
Insurance contract liabilities		
Long-term borrowings		
Bonds payable		
Of which: Preferred shares		
Perpetual debts		
Lease liabilities	109,860,593.88	109,859,326.06
Long-term payables		
Long-term staff remuneration payable		
Provision		
Deferred income	177,420,275.50	168,121,250.44
Deferred income tax liabilities	116,156,340.48	89,195,015.61
Other non-current liabilities		
Total non-current liabilities	403,437,209.86	367,175,592.11
Total liabilities	2,176,785,958.74	2,544,270,867.15
Owners' equity:		
Share capital	369,916,845.00	369,916,845.00
Other equity instruments		
Of which: Preferred shares		
Perpetual debts		
Capital reserve	10,151,168,378.79	10,143,534,669.29
Less: Treasury shares	1,201,985,993.04	1,246,560,238.14
Other comprehensive income	11,429,982.86	16,557,016.38
Special reserve		
Surplus reserve	208,970,876.28	208,970,876.28
General reserve		
Retained earnings	6,785,354,479.52	6,155,008,475.09
Total equity attributable to owners of the parent company	16,324,854,569.41	15,647,427,643.90
Minority interests	45,119,519.99	47,575,140.88
Total owners' equity	16,369,974,089.40	15,695,002,784.78
Total liabilities and owners' equity	18,546,760,048.14	18,239,273,651.93

Legal representative:
HAO HONG

Accounting chief:
Zhang Da

Person-in-charge of the
accounting department:
Huang Mo

2. Consolidated Statement of Profit

Unit: RMB

Item	Amount for current period	Amount for previous period
I. Total operating revenue	2,249,034,497.62	2,061,708,856.14
Of which: Operating revenue	2,249,034,497.62	2,061,708,856.14
Interest income		
Premiums earned		
Handling fee and commission income		
II. Total operating costs	1,567,490,174.52	1,501,478,969.64
Of which: Operating cost	1,160,393,685.09	1,128,892,034.57
Interest expenses		
Handling fee and commission expenses		
Surrenders value		
Net expenditure for insurance claims settlement		
Net drawing on provision for insurance contracts		
Expenditures for policy dividend		
Reinsurance expenditures		
Tax and surcharges	8,641,460.93	9,815,688.11
Selling expenses	33,816,085.13	20,540,724.40
Management expenses	165,671,257.94	162,978,091.37
R&D expenses	162,096,744.48	130,883,695.56
Finance cost	36,870,940.95	48,368,735.63
Of which: Interest fee	341,264.16	3,712,440.70
Interest income	26,776,580.34	1,835,958.92
Add: Other income	16,789,852.74	8,038,406.63
Gain from investment (loss is represented by “-”)	600,226.94	11,660,530.17
Of which: Gains from investment in associates and joint ventures	1,215,101.84	-3,840,216.57
Derecognition gains from financial assets measured at amortised cost		
Gains from exchange (loss is represented by “-”)		
Gains on net exposure hedges (loss is represented by “-”)		
Gains from change in fair value (loss is represented by “-”)	-719,098.82	-1,376,129.87

Item	Amount for current period	Amount for previous period
Impairment loss of credit (loss is represented by “-”)	11,733,332.96	-8,455,030.68
Impairment loss of assets (loss is represented by “-”)		
Gain from assets disposal (loss is represented by “-”)		
III. Operational profit (loss is represented by “-”)	709,948,636.92	570,097,662.75
Add: Non-operating income	4,044.51	9,320.64
Less: Non-operating expense	252,777.84	3,018,417.04
IV. Total profit (total loss is represented by “-”)	709,699,903.59	567,088,566.35
Less: Income tax expense	81,809,520.05	67,690,481.54
V. Net profit (net loss is represented by “-”)	627,890,383.54	499,398,084.81
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	627,890,383.54	499,398,084.81
2. Net profit from discontinued operations (net loss is represented by “-”)		
(II) Classified by ownership of equity		
1. Net profit attributable to the shareholders of the parent	630,346,004.43	499,398,084.81
2. Minority interests	-2,455,620.89	
VI. Other comprehensive income, net of tax	-5,127,033.52	-6,310,310.96
Other comprehensive income attributable to the owners of the parent, net of tax	-5,127,033.52	-6,310,310.96
(I) Other comprehensive income not to be reclassified to profit or loss		
1. Re-measurement of changes under defined benefit plan		
2. Other comprehensive income which cannot be reclassified to profit or loss under equity method		
3. Changes in fair value of other investments in equity instruments		
4. Changes in fair value of the corporate’s own credit risk		
5. Others		

Item	Amount for current period	Amount for previous period
(II) Other comprehensive income to be reclassified to profit or loss	-5,127,033.52	-6,310,310.96
1. Other comprehensive income which can be reclassified to profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flows hedging reserve		
6. Differences on translation of foreign currency statements	-5,127,033.52	-6,310,310.96
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	622,763,350.02	493,087,773.85
Total comprehensive income attributable to the owners of the parent company	625,218,970.91	493,087,773.85
Total comprehensive income attributable to minority shareholders	-2,455,620.89	
VIII. Earnings per share:		
(I) Basic earnings per share	1.72	1.36
(II) Diluted earnings per share	1.72	1.36

For the business consolidation under common control during the period, the net profit realised by the merged party before the combination was RMB0.00, and the net profit realised by the merged party in the previous period was RMB0.00.

Legal representative:
HAO HONG

Accounting chief:
Zhang Da

Person-in-charge of the
accounting department:
Huang Mo

3. Consolidated Statement of Cash Flows

Unit: RMB

Item	Amount for current period	Amount for previous period
I. Cash flow from operating activities:		
Received from the sales of goods and the rendering of services	2,755,212,399.12	1,855,113,552.16
Net increase in deposits from customers and inter-bank deposits		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholder and investment funds		
Cash received from interest, handling fee and commission		
Net increase in capital borrowed		
Net increase in capital from repurchase business		
Net cash received from acting sale of securities		
Refund of taxes and levies	77,426,684.00	63,366,768.52
Cash received relating to other operating activities	28,550,708.73	7,383,738.27
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	2,861,189,791.85	1,925,864,058.95
	<hr/>	<hr/>
Cash paid to the purchase of goods and the acceptance of services	638,798,212.57	1,003,677,026.11
Net increase in loans and advances to customers		
Net increase in deposits with central bank and inter-bank deposits		
Cash paid for compensation payments under original insurance contracts		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling fee and commission		
Cash paid for policyholder dividend		
Cash paid to and for employees	747,054,838.83	499,047,853.25
Payments of all types of taxes	104,880,051.66	95,750,534.24
Cash payments relating to other operating activities	66,931,425.13	122,781,583.52
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	1,557,664,528.19	1,721,256,997.12
	<hr/>	<hr/>
Net cash flow from operating activities	1,303,525,263.66	204,607,061.83
	<hr/>	<hr/>

Item	Amount for current period	Amount for previous period
II. Cash flow from investing activities:		
Cash received from investment recovery	8,368,856,153.32	607,807,000.00
Cash received from returns on investments	29,288,745.77	3,330,118.87
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		
Net cash received from disposals of subsidiaries and other operating units		
Cash received relating to other investing activities	1,683,918.99	
Sub-total of cash inflows from investing activities	8,399,828,818.08	611,137,118.87
Cash paid to acquire fixed assets, intangible assets and other long-term assets	305,476,465.63	613,515,781.54
Cash paid for investments	8,421,570,566.30	1,099,322,000.00
Net increase of mortgaged loans		
Net cash paid for acquisition of subsidiaries and other operating units		30,090,000.00
Cash payments relating to other investing activities		
Sub-total of cash outflows from investing activities	8,727,047,031.93	1,742,927,781.54
Net cash flow from investing activities	-327,218,213.85	-1,131,790,662.67

Item	Amount for current period	Amount for previous period
III. Cash flow from financing activities:		
Cash received from capital contribution		387,731,358.82
Of which: Cash received by subsidiaries		
from investments of minority shareholders		
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities		387,731,358.82
Cash payments for debts settlement		
Cash payments for distribution of dividends, profits, or interest expenses		3,889,772.50
Of which: Dividends and profits paid		
by subsidiaries to minority shareholders		480,000.00
Cash payments relating to other financing activities		
Sub-total of cash outflows from financing activities		3,889,772.50
Net cash flow from financing activities		383,841,586.32
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-15,286,791.15	-48,375,746.77
V. Net increase in cash and cash equivalents	961,020,258.66	-591,717,761.29
Add: Balance of cash and cash equivalents at the beginning of the period	4,418,177,853.75	6,234,457,167.58
VI. Balance of cash and cash equivalents at the end of the period	5,379,198,112.41	5,642,739,406.29

(II) Quarterly consolidated financial statements prepared in accordance with IFRSs

Consolidated Statement of Profit or Loss

January to March 2023

Unit: RMB'000

	First quarter of 2023	First quarter of 2022
Revenue	2,245,904	2,059,700
Cost of sales	(1,160,394)	(1,128,892)
Gross profit	1,085,510	930,808
Other income and gains	52,496	14,769
Selling and distribution expenses	(33,816)	(20,541)
Administrative expenses	(171,287)	(170,934)
Research and development expenses	(162,097)	(130,884)
Net impairment losses on financial and contract assets	11,733	(8,455)
Other expenses	(72,978)	(49,217)
Finance costs	(1,076)	(6,723)
Share of (loss)/profit of associate	1,215	8,264
Profit before tax	709,700	567,087
Income tax expense	(81,810)	(67,690)
Profit for the period	627,890	499,397
Attributable to:		
Owners of the parent	630,346	499,397
Non-controlling interests	(2,456)	0
Earnings per share attributable to ordinary equity holders of the parent		
Basic (expressed in RMB per share)	1.72	1.36
Diluted (expressed in RMB per share)	1.72	1.36

Consolidated Statements of Comprehensive Income
January to March 2023

Unit: RMB'000

	First quarter of 2023	First quarter of 2022
Profit for the period	627,890	499,397
Other comprehensive income		
Exchange differences on translation of foreign operations	(5,127)	(6,310)
Other comprehensive loss for the period (net of tax)	(5,127)	(6,310)
Total comprehensive income for the period	622,763	493,087
Attributable to:		
Owners of the parent	625,219	493,087
Non-controlling interests	(2,456)	0

Consolidated Statement of Financial Position

March 31, 2023

Unit: RMB'000

	March 31, 2023	December 31, 2022
Non-current assets		
Property, plant and equipment	4,956,806	4,829,924
Right-of-use assets	534,301	539,716
Goodwill	146,183	146,183
Other intangible assets	54,001	57,679
Deferred tax assets	211,364	177,858
Investments in associates	277,114	277,256
Prepayments, deposits and other receivables	250,620	237,124
Financial assets at fair value through profit or loss	138,880	113,076
Total non-current assets	6,569,269	6,378,816
Current assets		
Inventories	1,108,074	1,510,413
Trade receivables	1,992,381	2,451,148
Contract assets	97,354	63,976
Prepayments, deposits and other receivables	351,177	376,398
Tax recoverable	17,866	17,866
Financial assets at fair value through profit or loss	2,523,469	2,151,062
Cash and cash equivalents	5,887,170	5,289,594
Total current assets	11,977,491	11,860,457
Current liabilities		
Trade payables	370,719	568,892
Other payables and accruals	1,026,786	1,511,198
Interest-bearing bank and other borrowings	—	—
Contract liabilities	342,103	—
Lease liabilities	24,790	28,487
Tax payable	4,602	67,422
Amounts due to related parties	1,857	1,096
Financial liabilities at fair value through profit or loss	2,492	0
Total current liabilities	1,773,349	2,177,095
Net current assets	10,204,142	9,683,362
Total assets less current liabilities	16,773,411	16,062,178

	March 31, 2023	December 31, 2022
Non-current liabilities		
Other payables and accruals	177,419	168,121
Lease liabilities	109,861	109,859
Deferred tax liabilities	116,156	89,195
Total non-current liabilities	403,436	367,175
Net assets	16,369,975	15,695,003
Equity		
Equity attributable to owners of the parent		
Share capital	369,917	369,917
Restricted shares under share-based payment	(1,201,986)	(1,246,560)
Other reserves	17,156,924	16,524,071
Non-controlling interests	45,120	47,575
Total equity	16,369,975	15,695,003

Consolidated Statement of Cash Flows
January to March 2023

Unit: RMB'000

	First quarter of 2023	First quarter of 2022
Cash flows from operating activities		
Profit before tax	709,700	567,087
Adjustments for:		
Finance Cost	1,076	6,723
Share of (profit)/loss of associates	-1,215	3,840
Interest income	-18,110	—
Investment income	-19,968	-15,501
Fair value gains on financial assets/liabilities at fair value through profit or loss	21,745	1,376
Depreciation of property, plant and equipment	97,599	64,254
Depreciation of right-of-use assets	4,811	3,469
Amortization of other intangible assets	-398	3,125
Impairment losses on trade receivables and contract assets, net	-11,733	8,455
Equity-settled share option expense	3,188	17,796
	786,695	660,624
Increase in restricted deposits	-2,413	—
Increase in inventories	402,339	-311,449
Increase in trade receivables	-243,844	-235,396
(Increase)/decrease in contract assets	-745	-642
Increase in prepayments, deposits and other receivables	11,725	-82,173
Increase in trade payables	471,805	306,983
Increase in other payables and accruals	-17,157	-37,589
Cash generated from operations	1,408,405	300,358
Tax paid	-104,880	-95,751
Net cash flows from operating activities	1,303,525	204,607

	First quarter of 2023	First quarter of 2022
Cash flows from investing activities		
Interest received	18,110	
Purchases of items of property, plant and equipment and other intangible assets	-305,476	-613,516
Acquisition of a subsidiary		-30,090
Purchase of investments at fair value through profit or loss	-7,895,730	-1,099,322
Proceeds from disposal of investments at fair value through profit or loss	7,517,067	611,137
Purchase of time deposits	-494,071	
Proceeds from maturity of time deposits	831,198	
(Increase)/decrease in cash deposits	1,684	
Net cash flows used in investing activities	-327,218	-1,131,791
Cash flows from financing activities		
Proceeds from issue of shares		387,731
Dividends paid to shareholders		-480
Interest paid		-3,409
Net cash flows from financing activities	–	383,842
Net increase in cash and cash equivalents	976,307	-543,342
Cash and cash equivalents at the beginning of the year	4,418,178	6,234,457
Effect of foreign exchange rate changes, net	-15,287	-48,376
Cash and cash equivalents at the end of the year	5,379,198	5,642,739
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents as stated in the statement of financial position	5,887,170	5,642,739
Less: Term deposits with original maturity of more than three months	-494,233	–
Pledged for letters of credit and others	-13,739	–
Cash and cash equivalents as stated in the statement of cash flows	5,379,198	5,642,739

(III) Non-IFRS Measures

Items	First quarter of 2023 <i>RMB'000</i> (except percentage)	First quarter of 2022 <i>RMB'000</i> (except percentage)
Net profit attributable to shareholders of the parent	630,346	499,398
Additions:		
Amortization expenses of share-based compensation	3,188	17,796
Gain or loss on exchange rate fluctuations	80,340	45,939
Income tax effect	-12,529	-9,560
Adjusted net profit attributable to shareholders of the parent	701,345	553,573
Adjusted net profit margin attributable to shareholders of the parent	31.18%	26.85%

(IV) Auditors' Report

Whether the first quarterly report is audited or not

☐ Yes ☒ No

The first quarterly report of the Company is unaudited.