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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 THIRD QUARTERLY REPORT**

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

The following is the third quarterly report for 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 third 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

October 29, 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. 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.*

\* *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 THIRD QUARTERLY REPORT**

**October 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 Third Quarterly Report has been audited**  
 Yes    No

## I. MAJOR FINANCIAL DATA

### (I) Major accounting data and financial indicators

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

Yes  No

	The reporting period	Increase/(decrease) of the reporting period as compared with the corresponding period of the previous year	From the beginning of the year to the end of the reporting period	Increase/(decrease) from the beginning of the year to the end of the reporting period as compared with the corresponding period of the previous year
Revenue (RMB)	2,920,138,789.43	5.49%	8,560,256,911.27	15.64%
Net profit attributable to owners of the parent (RMB)	352,944,967.45	-6.05%	1,139,038,016.10	18.51%
Net profit attributable to owners of the parent excluding non-recurring gains or losses (RMB)	328,551,144.70	-13.04%	1,083,044,043.56	2.41%
Non-IFRS adjusted net profit attributable to owners of the parent (RMB)	480,583,101.41	-6.82%	1,412,435,016.07	6.37%
Net cash flows from operating activities (RMB)	–	–	2,029,402,975.72	45.47%
Basic earnings per share (RMB/share) (Note 1)	0.2005	-5.16%	0.6430	18.81%
Diluted earnings per share (RMB/share) (Note 1)	0.2003	-5.21%	0.6421	18.75%
Return on net assets on weighted average basis	3.14%	-0.49%	10.13%	0.85%
				Increase/(decrease) at the end of the reporting period as compared with the end of the previous year
	As at the end of the reporting period		As at the end of the previous year	
Total assets (RMB)	22,476,012,563.70		20,492,557,228.07	9.68%
Net assets attributable to owners of the parent (RMB)	11,904,940,918.62		10,548,615,357.20	12.86%

*Note 1:* The 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 from principal operations, cost and gross profit margin by products or services for the first three quarters of 2023 as well as their period-on-period changes are as follows:

*Unit: RMB*

By products or services	From the beginning of the year to the end of the reporting period			The corresponding period of the previous year			Increase/ (decrease) in revenue as compared with the corresponding period of the previous year
	Revenue	Cost	Gross profit margin	Revenue	Cost	Gross profit margin	
Laboratory services	5,069,130,773.99	2,819,338,612.82	44.38%	4,460,130,621.68	2,452,255,513.47	45.02%	13.65%
CMC (small molecule CDMO) services	1,913,656,858.43	1,293,299,346.38	32.42%	1,679,603,984.80	1,101,327,949.46	34.43%	13.94%
Clinical development services	1,262,099,160.97	1,031,881,474.67	18.24%	982,317,118.97	882,254,135.51	10.19%	28.48%
Biologics and CGT services	310,632,638.21	333,247,456.83	-7.28%	259,259,632.00	252,114,889.60	2.76%	19.82%

*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. The gross profit margin of the principal operations for the first three quarters of 2023 reached 35.97%, compared with 36.49% on a period-on-period basis. 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. From January to September 2023, the Company’s laboratories and manufacturing facilities in China, which serve the global customers, recorded a period-on-period revenue growth of 14.10%, accounting for 86.66% of the revenue; the Company’s laboratories and manufacturing facilities overseas recorded a period-on-period revenue growth of 26.70%, accounting for 13.34% of the revenue of the Company.

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. By customer types, from January to September 2023, the Company’s revenue from the global top 20 pharmaceutical companies was approximately RMB1,249,239,100, with an increase of 5.44% on a period-on-period basis, accounting for 14.59% of the revenue of the Company; the revenue from other repeat customers was approximately RMB6,783,584,200, with an increase of 18.98% on a period-on-period basis, accounting for 79.25% of the revenue of the Company; the revenue from newly added customers was approximately RMB527,433,600, accounting for 6.16% of the revenue of the company. By regions of which the customers are located, from January to September 2023, the revenue from customers in North America was approximately RMB5,495,188,100, with an increase of 14.63% on a period-on-period basis, accounting for 64.19% of the revenue of the Company; the revenue from customers in EU (including the U.K.) was approximately RMB1,319,649,400, with an increase of 28.92% on a period-on-period basis, accounting for 15.42% of the revenue of the Company; the revenue from customers in China was approximately RMB1,512,441,900, with an increase of 11.04% on a period-on-period basis, accounting for 17.67% of the revenue of the Company; and the revenue from customers in other regions was approximately RMB232,977,500, accounting for 2.72% of revenue of the Company.

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

√ Applicable    □ N/A

*Unit: RMB*

Item	The reporting period	From the beginning of the year to the end of the reporting period	Note
Gains or losses from disposal of non-current assets (including written-off portion of provisions for assets impairment)	214,490.26	248,309.87	
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)	30,392,388.44	59,610,309.68	It was mainly due to government subsidies related to daily activities.
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	1,907,646.57	16,996,190.33	Including: relevant gains of wealth management products amounted to approximately RMB13,964,600 from the beginning of the year to the end of the reporting period.
Other non-operating income and expenses other than the above items	-2,400,743.58	-9,973,438.09	
Less: Effect of income tax	5,995,493.84	11,090,680.20	
Impact on non-controlling interests (after tax)	-275,534.90	-203,280.95	
Total	<u>24,393,822.75</u>	<u>55,993,972.54</u>	

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

Applicable  N/A

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

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

Applicable  N/A

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

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

Applicable  N/A

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the end of the previous year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Net cash flows from operating activities	2,029,402,975.72	1,395,070,031.14	45.47%	Net cash flows from operating activities increased by RMB634,332,900, representing an increase of 45.47% on a period-on-period basis during the reporting period, mainly due to the period-on-period increase in revenue.
Cash and bank balances	2,058,719,211.34	1,497,483,832.74	37.48%	Cash and bank balances increased by RMB561,235,400 as compared with the balance at the end of the previous year, representing an increase of 37.48%, including: cash and cash equivalents increased by RMB663,129,900. For details, please refer to the consolidated statement of cash flows from the beginning of the year to the end of period.
Non-current assets due within one year	145,211,455.00	2,646,548.00	5,386.82%	Non-current assets due within one year increased by RMB142,564,900 as compared with the balance at the end of the previous year, representing an increase of 5,386.82%, which was mainly due to the increase in debt investments due within one year.
Other current assets	358,503,898.59	916,800,123.60	-60.90%	Other current assets decreased by RMB558,296,200 as compared with the balance at the end of the previous year, representing a decrease of 60.90%, which was mainly due to the recovery of matured wealth management products with a fixed interest rate included in other current assets.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the end of the previous year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Debt investments		139,292,000.00	-100.00%	The decrease in debt investments was due to the notes with a fixed interest rate invested due within one year, which was included in the non-current assets due within one year.
Construction in progress	2,745,694,766.77	1,670,806,366.21	64.33%	Construction in progress increased by RMB1,074,888,400 as compared with the balance at the end of previous year, representing an increase of 64.33%, which was mainly due to the scheduled construction of Campus II and Campus III in Ningbo and Xi'an Campus R&D Project.
Deferred tax assets	154,069,144.96	58,789,031.37	162.07%	Deferred tax assets increased by RMB95,280,100 as compared with the balance at the end of the previous year, representing an increase of 162.07%, which was mainly due to the increase in the deferred tax assets related to the deferred income and deductible loss.
Other non-current assets	262,374,739.57	438,908,497.18	-40.22%	Other non-current assets decreased by RMB176,533,800 as compared with the balance at the end of the previous year, representing a decrease of 40.22%, which was mainly due to the decrease in prepayments for equipment.
Held-for-trading financial liabilities	135,929,000.00	30,035,458.60	352.56%	Held-for-trading financial liabilities increased by RMB105,893,500 as compared with the balance at the end of the previous year, representing an increase of 352.56%, mainly due to the decrease in fair value of the cash flow hedging instrument.
Tax payables	248,941,475.46	188,287,058.90	32.21%	Tax payables increased by RMB60,654,400 as compared with the balance at the end of the previous year, representing an increase of 32.21%, which was mainly due to the increase in the income tax payable as compared with the balance at the end of the previous year.
Other payables	576,230,244.55	908,116,886.40	-36.55%	Other payables decreased by RMB331,886,600 as compared with the balance at the end of the previous year, representing a decrease of 36.55%, mainly due to the decrease in payables to purchase equipment and construction.



Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the end of the previous year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Other current liabilities	29,260,252.50	22,200,555.28	31.80%	Other current liabilities increased by RMB7,059,700 as compared with the balance at the end of the previous year, representing an increase of 31.80%, which was mainly due to the increase in the output tax to be transferred.
Deferred income	284,711,617.22	152,375,033.01	86.85%	Deferred income increased by RMB132,336,600 as compared with the balance at the end of the previous year, representing an increase of 86.85%, which was mainly due to the increase in government subsidies received by the Company relating to its assets.
Share capital	1,786,732,206.00	1,191,224,554.00	49.99%	Share capital increased by RMB595,507,700 as compared with the balance at the end of the previous year, representing an increase of 49.99%, which was mainly due to the conversion of capital reserve into share capital by the Company.
Treasury shares	463,451,960.00	668,037,563.30	-30.62%	Treasury shares decreased by RMB204,585,600 as compared with the balance at the end of the previous year, representing a decrease of 30.62%, mainly due to the vested of certain H Share Award and Trust Scheme.
Other comprehensive income	-27,831,924.20	-1,293,011.36	-2,052.49%	Other comprehensive income decreased by RMB26,538,900 as compared with the balance at the end of the previous year, representing a decrease of 2,052.49%, which was mainly due to the decrease in cash flow hedging reserve.
Non-controlling interests	821,745,093.93	291,252,357.97	182.14%	Non-controlling interests increased by RMB530,492,700 as compared with the balance at the end of the previous year, representing an increase of 182.14%, mainly due to the equity financing of Pharmaron (Ningbo) Biologics Co., Ltd., a subsidiary of the Company.
Research and development costs	296,764,121.85	177,468,493.98	67.22%	Research and development costs increased by RMB119,295,600, representing an increase of 67.22% on a period-on-period basis during the reporting period, mainly due to the Company's enhanced efforts to improve research and development capabilities and technical expertise, and increased research and development spending.

Item	As at the end of the reporting period/from the beginning of the year to the end of the reporting period (RMB)	Balance at the end of the previous year/the corresponding period of the previous year (RMB)	Percentage of changes	Reasons for changes
Finance expenses	108,844,237.57	161,865,447.67	-32.76%	Finance expenses decreased by RMB53,021,200, representing a decrease of 32.76% on a period-on-period basis during the reporting period, mainly due to the period-on-period decrease in losses from foreign exchange.
Other income	57,176,415.68	26,334,653.38	117.11%	Other income increased by RMB30,841,800, representing an increase of 117.11% on a period – on-period basis during the reporting period, due to the increase in government subsidies related to daily activities.
Investment income	48,982,484.83	19,276,128.29	154.11%	Investment income increased by RMB29,706,400, representing an increase of 154.11% on a period-on-period basis during the reporting period, mainly due to (1) an increase of RMB20,487,800 in investment income from associates; (2) investment income from disposal of other non-current financial assets amounting to approximately RMB15,662,800.
Gains on change in fair value	40,201,079.24	77,494,175.16	-48.12%	Gains on change in fair value decreased by RMB37,293,100, representing a decrease of 48.12% on a period-on-period basis during the reporting period, mainly due to the period-on-period decrease in gains on change in fair value of biological assets.
Credit impairment losses	-17,530,101.09	-8,795,751.36	99.30%	It was due to the period-on-period increase in credit impairment losses on trade receivables during the reporting period.
Assets impairment losses	-6,083,628.29	-3,303,137.96	84.18%	It was mainly due to the period-on-period increase in impairment losses on inventories during the reporting period.
Gains on disposal of assets	248,309.87	-1,341,419.18	118.51%	It was due to the period-on-period increase in gains on disposal of non-current assets during the reporting period.
Non-operating income	3,389,121.43	2,153,913.42	57.35%	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	10,928,665.52	17,687,425.20	-38.21%	It was due to the period-on-period decrease in losses arising from the disposal of biological assets and external charitable donation expenditure during the reporting period.

## 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	66,106	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%	301,502,038	0		
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信康成投資合夥企業(有限合夥))	Domestic non-state-owned legal person	14.63%	261,427,958	0		
PHARMARON HOLDINGS LIMITED	Overseas legal person	10.10%	180,496,500	0		
Industrial and Commercial Bank of China Limited-Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund (中國工商銀行股份有限公司-中歐醫療健康混合型證券投資基金)	Other	4.07%	72,731,426	0		
Mr. LOU Xiaoliang (樓小強)	Domestic natural person	3.39%	60,540,050	51,041,250	Pledge	29,013,000
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	2.50%	44,618,506	0		
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	Domestic non-state-owned legal person	2.25%	40,135,026	0	Pledge	20,057,250
Hong Kong Securities Clearing Company Limited	Overseas legal person	1.79%	31,961,936	0		
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%	30,941,457	0		
Bank of China Limited-Huabao CSI Medical Trading Open-End Index Securities Investment 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	1.54%	27,494,611	0		

## 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	301,502,038		Oversea-listed foreign shares	301,502,038
Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Partnership) (深圳市信康成投資合夥企業(有限合夥))	261,427,958		RMB-denominated ordinary shares	261,427,958
PHARMARON HOLDINGS LIMITED	180,496,500		RMB-denominated ordinary shares	180,496,500
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)	72,731,426		RMB-denominated ordinary shares	72,731,426
Shenzhen Xinzhong Longcheng Investment Partnership (Limited Partnership) (深圳市信龍成投資合夥企業(有限合夥))	44,618,506		RMB-denominated ordinary shares	44,618,506
Ningbo Longtaikang Investment Management Co., Ltd. (寧波龍泰康投資管理有限公司)	40,135,026		RMB-denominated ordinary shares	40,135,026
Hong Kong Securities Clearing Company Limited	31,961,936		RMB-denominated ordinary shares	31,961,936
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))	30,941,457		RMB-denominated ordinary shares	30,941,457
Bank of China Limited-Huabao CSI Medical Trading Open-End Index Securities Investment 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)	27,494,611		RMB-denominated ordinary shares	27,494,611
Industrial and Commercial Bank of China Limited – Lombarda China Medical Innovation Equity Securities Investment Fund(中國工商銀行股份有限公司－中歐醫療創新股票型證券投資基金)	23,961,625		RMB-denominated ordinary shares	23,961,625

Name of shareholders	Number of shares not subject to trading restrictions	Class	Class of shares	Number
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 Buyout Fund Management Company Limited (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.	The fund manager of 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) and Industrial and Commercial Bank of China Limited – Lombarda China Medical Innovation Equity Securities Investment Fund(中國工商銀行股份有限公司－中歐醫療創新股票型證券投資基金) is Lombarda China Fund Management Co., Ltd.		
	The Company is not aware of any connected relationship or concerted action among the top 10 shareholders of outstanding shares not subject to trading restrictions, and between the top 10 shareholders of outstanding shares not subject to trading restrictions and the top 10 shareholders.			
Description of securities margin trading business by top 10 shareholders (if any)	N/A			

**(II) Total 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	3,660,000	17,013,750	51,041,250	Locked shares held by the 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	0	4,387,500	13,162,500	Locked shares held by the 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	0	18,750	56,250	Locked shares held by the 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	1,599,510	0	0	Restricted shares under the Share Incentive Scheme	1,599,510 shares of the third unlocking period under the 2019 Restricted Share and Share Option Incentive Scheme have been released from trading restrictions on May 15, 2023; three participants resigned, then the Company repurchased and canceled the 69,750 A Shares held by them and the repurchase and cancellation have been completed on July 6, 2023
<b>Total</b>	<u>48,169,260</u>	<u>5,259,510</u>	<u>21,420,000</u>	<u>64,260,000</u>		

### III. OTHER SIGNIFICANT EVENTS

√ Applicable    □ N/A

#### Summary of other significant events during the reporting period

Overview of events	Date of disclosure of interim announcements	Search index on the website disclosing the interim announcements
Completion of repurchase and cancellation of Restricted A Shares in 2019	July 6, 2023	Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Shares, disclosure website: ( <a href="https://www1.hkexnews.hk">https://www1.hkexnews.hk</a> )
Completion of the election of the third session of the Board and the Supervisory Committee	July 7, 2023	List of Directors and their Role and Function, Announcement on Resolutions of the First Meeting of the Third Session of the Board of Directors, Independent Opinions of Independent Directors on Relevant Matters of the First Meeting of the Third Session of the Board of Directors, Announcement on Resolutions of the First Meeting of the Third Session of the Board of Supervisors, Announcement on Completion of Election of the Board of Directors and the Board of Supervisors and Appointment of Senior Management, disclosure website: ( <a href="https://www1.hkexnews.hk">https://www1.hkexnews.hk</a> )
Grant under the 2023 A Share Incentive Scheme	July 9, 2023	Grant of Restricted Shares under the First Grant and the Reserved Grant under the 2023 A Share Incentive Scheme, Announcement on the Adjustment to the Participants and the Number of Restricted Shares under the First Grant under the 2023 Restricted A Share Incentive Scheme, Announcement on the Grant of the First and Partial Reserved Restricted Shares to the Participants, Self-inspection Report on the Trading of Shares of the Company by Insiders and Participants under the 2023 Restricted A Share Incentive Scheme and List of Participants under the First and Partial Reserved Grant (Date of Grant), Legal Opinions of Beijing Zhong Lun Law Firm on the Relevant Adjustments and Grant Matters under the 2023 Restricted A Share Incentive Scheme of the Company, Independent Financial Adviser's Report of Shanghai Xingong Yihe Enterprise Management Consulting Co., Ltd. on the Relevant Matters under the First and Partial Reserved Grant under the 2023 Restricted A Share Incentive Scheme of the Company, disclosure website: ( <a href="https://www1.hkexnews.hk">https://www1.hkexnews.hk</a> )

<b>Overview of events</b>	<b>Date of disclosure of interim announcements</b>	<b>Search index on the website disclosing the interim announcements</b>
Further Adjustment to Conversion Price of the H Share Convertible Bonds	July 26, 2023	Further Adjustment of the Conversion Price of US\$300.0 Million Zero Coupon Convertible Bonds Due 2026 (Debt Stock Code: 40725) and Further Adjustment of the Conversion Price of RMB1,916.0 Million Zero Coupon US\$-Settled Convertible Bonds Due 2026 (Debt Stock Code: 40733), disclosure website: ( <a href="https://www1.hkexnews.hk">https://www1.hkexnews.hk</a> )
Financing Progress of the Biologics and CGT Services Segment	September 20, 2023	Completion of Connected Transaction in Relation to Capital Increase in Pharmaron Ningbo Biologics, disclosure website: ( <a href="https://www1.hkexnews.hk">https://www1.hkexnews.hk</a> )



#### IV. QUARTERLY FINANCIAL STATEMENTS

##### (I) Financial Statements

###### 1. Consolidated Balance Sheet

Prepared by: Pharmaron Beijing Co., Ltd.  
September 30, 2023

*Unit: RMB*

Item	September 30, 2023	January 1, 2023
<b>Current assets:</b>		
Cash and bank balances	<b>2,058,719,211.34</b>	1,497,483,832.74
Deposit reservation for balance		
Lending to banks and other financial institutions		
Held-for-trading financial assets	<b>924,252,003.17</b>	745,362,386.95
Derivative financial assets		
Note receivables		
Trade receivables	<b>2,221,756,547.40</b>	1,881,882,496.40
Trade receivables financing		
Prepayments	<b>29,457,507.23</b>	23,038,888.13
Premium receivables		
Reinsurance account receivables		
Reinsurance deposit receivables		
Other receivables	<b>95,422,717.28</b>	94,730,280.43
Including: Interest receivables		
Dividend receivables		
Financial assets held under repurchase agreements		
Inventories	<b>995,033,951.57</b>	1,041,461,328.57
Contract assets	<b>392,059,988.18</b>	332,600,762.17
Assets held for sale		
Non-current assets due within one year	<b>145,211,455.00</b>	2,646,548.00
Other current assets	<b>358,503,898.59</b>	916,800,123.60
<b>Total current assets</b>	<b><u>7,220,417,279.76</u></b>	<b><u>6,536,006,646.99</u></b>

Item	September 30, 2023	January 1, 2023
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Debt investments		139,292,000.00
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>669,609,545.08</b>	629,971,822.34
Other investments in equity instruments		
Other non-current financial assets	<b>289,768,925.72</b>	239,048,489.56
Investment properties		
Fixed assets	<b>6,115,319,244.50</b>	5,664,695,770.80
Construction in progress	<b>2,745,694,766.77</b>	1,670,806,366.21
Productive biological assets	<b>191,607,964.91</b>	178,015,956.71
Oil & gas assets		
Right-of-use assets	<b>819,323,014.53</b>	950,248,038.46
Intangible assets	<b>786,044,131.60</b>	802,534,534.78
Development expenses		
Goodwill	<b>2,763,654,326.90</b>	2,687,864,845.33
Long-term deferred expenses	<b>458,129,479.40</b>	496,375,228.34
Deferred tax assets	<b>154,069,144.96</b>	58,789,031.37
Other non-current assets	<b>262,374,739.57</b>	438,908,497.18
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>15,255,595,283.94</b>	13,956,550,581.08
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>22,476,012,563.70</b>	20,492,557,228.07
	<hr/> <hr/>	<hr/> <hr/>

Item	September 30, 2023	January 1, 2023
<b>Current liabilities:</b>		
Short-term borrowings	534,847,859.37	662,767,390.14
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities	135,929,000.00	30,035,458.60
Derivative financial liabilities		
Note payables		
Trade payables	400,934,029.15	406,347,908.05
Advances from customers		
Contract liabilities	853,932,712.72	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	654,968,882.61	623,558,852.25
Tax payables	248,941,475.46	188,287,058.90
Other payables	576,230,244.55	908,116,886.40
Including: Interests payables		
Dividend payables		1,862,416.91
Fees and commissions payables		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	277,880,047.22	238,979,262.01
Other current liabilities	29,260,252.50	22,200,555.28
<b>Total current liabilities</b>	<b>3,712,924,503.58</b>	<b>3,912,432,705.81</b>
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term borrowings	872,581,599.04	713,341,596.37
Bond payables	3,889,234,781.83	3,740,919,424.93
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	617,048,821.89	760,514,557.58
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred income	284,711,617.22	152,375,033.01
Deferred tax liabilities	256,962,243.48	261,013,075.52
Other non-current liabilities	115,862,984.11	112,093,119.68
<b>Total non-current liabilities</b>	<b>6,036,402,047.57</b>	<b>5,740,256,807.09</b>
<b>Total liabilities</b>	<b>9,749,326,551.15</b>	<b>9,652,689,512.90</b>

Item	September 30, 2023	January 1, 2023
<b>Equity:</b>		
Share capital	<b>1,786,732,206.00</b>	1,191,224,554.00
Other equity instruments	<b>198,554,160.44</b>	198,554,160.44
Including: Preferred shares		
Perpetual bonds		
Capital reserve	<b>5,055,441,903.56</b>	5,254,362,259.50
Less: Treasury shares	<b>463,451,960.00</b>	668,037,563.30
Other comprehensive income	<b>-27,831,924.20</b>	-1,293,011.36
Specific reserve		
Surplus reserve	<b>421,424,033.70</b>	421,424,033.70
General risk provision		
Retained earnings	<b>4,934,072,499.12</b>	4,152,380,924.22
<b>Total equity attributable to the owners of the parent</b>	<b>11,904,940,918.62</b>	10,548,615,357.20
Non-controlling interests	<b>821,745,093.93</b>	291,252,357.97
	<u><b>12,726,686,012.55</b></u>	<u>10,839,867,715.17</u>
<b>Total equity</b>	<u><b>12,726,686,012.55</b></u>	<u>10,839,867,715.17</u>
	<u><b>22,476,012,563.70</b></u>	<u>20,492,557,228.07</u>
<b>Total liabilities and equity</b>	<u><b>22,476,012,563.70</b></u>	<u>20,492,557,228.07</u>

Legal representative:  
LOU Boliang

Chief Financial Officer:  
LI Shing Chung Gilbert

Person in charge of  
Accounting Department:  
LI Shing Chung Gilbert

**2. Consolidated Income Statement from the Beginning of the Year to the End of the Reporting Period**

*Unit: RMB*

Item	Amount of the current period	Amount of the previous period
<b>1. Total revenue</b>	<b>8,560,256,911.27</b>	7,402,793,998.96
Including: Revenue	<b>8,560,256,911.27</b>	7,402,793,998.96
Interest income		
Insurance premium earned		
Fee and commission income		
<b>2. Total cost</b>	<b>7,354,768,450.44</b>	6,289,455,335.33
Including: Cost	<b>5,482,352,417.22</b>	4,701,717,656.76
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	<b>58,913,417.72</b>	49,098,683.67
Selling expenses	<b>193,918,484.93</b>	163,039,241.44
Administrative expenses	<b>1,213,975,771.15</b>	1,036,265,811.81
Research and development costs	<b>296,764,121.85</b>	177,468,493.98
Finance expenses	<b>108,844,237.57</b>	161,865,447.67
Including: Interest expenses	<b>134,090,378.10</b>	124,572,633.09
Interest income	<b>21,450,259.48</b>	29,863,236.51
Add: Other income	<b>57,176,415.68</b>	26,334,653.38
Investment income (“-” indicating loss)	<b>48,982,484.83</b>	19,276,128.29
Including: Income from investments in associates and joint ventures	<b>11,278,542.73</b>	-9,209,271.97
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)	<b>40,201,079.24</b>	77,494,175.16
Credit impairment losses (“-” indicating loss)	<b>-17,530,101.09</b>	-8,795,751.36
Assets impairment losses (“-” indicating loss)	<b>-6,083,628.29</b>	-3,303,137.96
Gains on disposal of assets (“-” indicating loss)	<b>248,309.87</b>	-1,341,419.18

Item	Amount of the current period	Amount of the previous period
<b>3. Operating profit (“-” indicating loss)</b>	<b>1,328,483,021.07</b>	1,223,003,311.96
Add: Non-operating income	<b>3,389,121.43</b>	2,153,913.42
Less: Non-operating expenses	<b>10,928,665.52</b>	17,687,425.20
<b>4. Profit before tax (“-” indicating total loss)</b>	<b>1,320,943,476.98</b>	1,207,469,800.18
Less: Income tax expenses	<b>186,420,334.57</b>	263,291,545.64
<b>5. Net profit (“-” indicating net loss)</b>	<b>1,134,523,142.41</b>	944,178,254.54
(i) By continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	<b>1,134,523,142.41</b>	944,178,254.54
2. Net profit from discontinued operations (“-” indicating net loss)		
(ii) By ownership		
1. Net profit attributable to owners of the parent (“-” indicating net loss)	<b>1,139,038,016.10</b>	961,107,133.20
2. Net profit attributable to non-controlling interests (“-” indicating net loss)	<b>-4,514,873.69</b>	-16,928,878.66
<b>6. Other comprehensive income, net of tax</b>	<b>-27,066,185.73</b>	-45,147,725.23
Other comprehensive income attributable to owners of the parent, net of tax	<b>-26,538,912.84</b>	-43,192,124.73
(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	<b>-26,538,912.84</b>	-43,192,124.73
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	<b>-104,736,610.63</b>	-73,134,506.67
6. Exchange difference on translation of foreign financial statements	<b>78,197,697.79</b>	29,942,381.94
7. Others		
Other comprehensive income attributable to the non-controlling interests, net of tax	<b>-527,272.89</b>	-1,955,600.50
<b>7. Total comprehensive income</b>	<b>1,107,456,956.68</b>	899,030,529.31
(i) Total comprehensive income attributable to owners of the parent	<b>1,112,499,103.26</b>	917,915,008.47
(ii) Total comprehensive income attributable to the non-controlling interests	<b>-5,042,146.58</b>	-18,884,479.16
<b>8. Earnings per share:</b>		
(i) Basic earnings per share	<b>0.6430</b>	0.5412
(ii) Diluted earnings per share	<b>0.6421</b>	0.5407

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

*Unit: RMB*

Item	Amount of the current period	Amount of the previous period
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	<b>8,345,874,274.78</b>	7,076,581,251.14
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	<b>384,922,168.66</b>	388,760,857.83
Other cash received relating to operating activities	<b>223,560,287.20</b>	70,696,817.27
Sub-total of cash inflow from operating activities	<b>8,954,356,730.64</b>	7,536,038,926.24
Cash paid for goods and services	<b>1,602,776,669.59</b>	1,664,466,323.97
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	<b>3,912,340,413.31</b>	3,218,817,041.33
Cash paid for taxes and surcharges	<b>315,464,293.03</b>	263,117,491.83
Other cash paid relating to operating activities	<b>1,094,372,378.99</b>	994,568,037.97
Sub-total of cash outflow from operating activities	<b>6,924,953,754.92</b>	6,140,968,895.10
<b>Net cash flow from operating activities</b>	<b>2,029,402,975.72</b>	1,395,070,031.14



Item	Amount of the current period	Amount of the previous period
<b>2. Cash flow from investing activities:</b>		
Cash received from disposal of investments	<b>2,064,517,625.65</b>	3,868,570,127.08
Cash received from return on investments	<b>36,542,008.34</b>	54,751,470.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>6,484,432.89</b>	1,039,985.52
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	<b><u>2,107,544,066.88</u></b>	<u>3,924,361,583.36</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<b>2,240,536,968.91</b>	2,199,162,575.67
Cash paid to acquire investments	<b>1,674,205,939.72</b>	2,100,174,709.08
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities		908,873,485.48
Other cash paid relating to investing activities	<b><u>667,500.00</u></b>	_____
Sub-total of cash outflows from investing activities	<b><u>3,915,410,408.63</u></b>	<u>5,208,210,770.23</u>
<b>Net cash flow from investing activities</b>	<b><u><u>-1,807,866,341.75</u></u></b>	<b><u><u>-1,283,849,186.87</u></u></b>

Item	Amount of the current period	Amount of the previous period
<b>3. Cash flow from financing activities:</b>		
Cash received from capital contributions	<b>953,252,900.00</b>	
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	<b>953,252,900.00</b>	
Cash received from borrowings	<b>491,835,187.27</b>	267,512,118.81
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	<b><u>1,445,088,087.27</u></b>	<u>267,512,118.81</u>
Cash paid for repayments of borrowings	<b>468,095,096.90</b>	569,503,365.31
Cash payment for distribution of dividends, profits or interest expenses	<b>395,122,272.81</b>	391,092,057.24
Including: Dividends and profit paid by subsidiaries to non-controlling shareholders		
Other cash paid relating to financing activities	<b><u>150,385,535.36</u></b>	<u>580,991,630.56</u>
Sub-total of cash outflow from financing activities	<b><u>1,013,602,905.07</u></b>	<u>1,541,587,053.11</u>
<b>Net cash flows from financing activities</b>	<b><u><u>431,485,182.20</u></u></b>	<b><u><u>-1,274,074,934.30</u></u></b>
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b><u>10,108,061.27</u></b>	<u>85,056,395.46</u>
<b>5. Net increase in cash and cash equivalents</b>	<b>663,129,877.44</b>	-1,077,797,694.57
Add: Period-beginning balance of cash and cash equivalents	<b><u>1,359,712,740.14</u></b>	<u>2,769,709,458.55</u>
<b>6. Period-end balance of cash and cash equivalents</b>	<b><u><u>2,022,842,617.58</u></u></b>	<b><u><u>1,691,911,763.98</u></u></b>

## (II) Audit Report

Whether the Third Quarterly Report has been audited

Yes  No

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

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

**1. Consolidated Statement of Profit or Loss<sup>1</sup>**

For the nine months ended September 30, 2023

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	<b>8,560,257</b>	7,402,794
Cost of sales	<u>(5,500,457)</u>	<u>(4,715,544)</u>
<b>Gross profit</b>	<b>3,059,800</b>	2,687,250
Other income and gains	<b>179,933</b>	267,059
Other expenses	<b>(24,061)</b>	(186,820)
Selling and distribution expenses	<b>(193,918)</b>	(163,039)
Administrative expenses	<b>(1,263,736)</b>	(1,076,426)
Research and development costs	<b>(296,764)</b>	(177,468)
Impairment losses on financial and contract assets	<b>(17,497)</b>	(9,304)
Finance costs	<b>(134,090)</b>	(124,573)
Share of profit/(losses)of associates	<u><b>11,279</b></u>	<u>(9,209)</u>
<b>Profit before tax</b>	<b>1,320,946</b>	1,207,470
Income tax expense	<u><b>(186,423)</b></u>	<u>(263,292)</u>
<b>Profit for the period</b>	<u><b>1,134,523</b></u>	<u>944,178</u>
<b>Attributable to:</b>		
Owners of the parent	<b>1,139,038</b>	961,107
Non-controlling interests	<u><b>(4,515)</b></u>	<u>(16,929)</u>
	<u><b>1,134,523</b></u>	<u>944,178</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic		
For profit for the period	<u><b>0.6430</b></u>	<u>0.5412</u>
Diluted		
For profit for the period	<u><b>0.6421</b></u>	<u>0.5407</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 Position<sup>2</sup>

September 30, 2023

	September 30, 2023 <i>RMB'000</i>	January 1, 2023 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	9,516,945	8,021,814
Right-of-use assets	1,192,114	1,329,698
Goodwill	2,763,654	2,687,865
Other intangible assets	215,452	233,148
Investments in associates	669,610	629,972
Equity investments at fair value through profit or loss	289,769	239,048
Biological assets	191,608	178,016
Deferred tax assets	154,069	58,789
Other non-current assets	262,375	578,201
	<hr/>	<hr/>
Total non-current assets	15,255,596	13,956,551
<b>CURRENT ASSETS</b>		
Inventories	342,444	361,572
Contract costs	180,608	182,610
Trade receivables	2,221,757	1,881,882
Contract assets	392,060	332,601
Biological assets	471,981	497,279
Prepayments, other receivables and other assets	628,596	1,037,216
Financial assets at fair value through profit or loss	924,252	694,472
Derivative financial instruments	–	50,890
Pledged deposits	35,305	49,255
Cash and cash equivalents	2,023,415	1,448,229
	<hr/>	<hr/>
Total current assets	7,220,418	6,536,006
<b>CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	612,787	737,712
Trade payables	400,934	406,348
Other payables and accruals	1,304,581	1,596,275
Contract liabilities	853,933	832,140
Lease liabilities	199,941	164,034
Derivative financial instruments	135,929	30,035
Tax payable	204,820	145,889
	<hr/>	<hr/>
Total current liabilities	3,712,925	3,912,433
<b>NET CURRENT ASSETS</b>	<hr/> <b>3,507,493</b>	<hr/> <b>2,623,573</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<hr/> <b>18,763,089</b>	<hr/> <b>16,580,124</b>

	<b>September 30, 2023 RMB'000</b>	January 1, 2023 RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<b>872,582</b>	713,342
Deferred tax liabilities	<b>256,962</b>	261,013
Financial liabilities at fair value through profit or loss	<b>115,863</b>	112,093
Deferred income	<b>284,712</b>	152,374
Convertible bonds-debt component	<b>3,889,235</b>	3,740,919
Lease liabilities	<b>617,049</b>	760,515
	<hr/>	<hr/>
Total non-current liabilities	<b>6,036,403</b>	5,740,256
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>12,726,686</b>	10,839,868
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
Share capital	<b>1,786,732</b>	1,191,225
Treasury shares	<b>(463,452)</b>	(668,037)
Equity component of convertible bonds	<b>198,554</b>	198,554
Reserves	<b>10,383,107</b>	9,826,874
	<hr/>	<hr/>
<b>Equity attributable to owners of the parent</b>	<b>11,904,941</b>	10,548,616
	<hr/>	<hr/>
Non-controlling interests	<b>821,745</b>	291,252
	<hr/>	<hr/>
<b>Total equity</b>	<b>12,726,686</b>	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.

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Profit attributable to owners of the parent</b>	<b>1,139,038</b>	961,107
Add:		
Share-based compensation expenses	145,213	103,159
Convertible Bonds related losses	91,279	102,763
Foreign exchange related losses	55,454	70,742
Realized and unrealized (gains)/losses from equity investments	(18,549)	90,090
<b>Non-IFRS adjusted net profit attributable to owners of the parent</b>	<b>1,412,435</b>	1,327,861

In the first three quarters of 2023, non-IFRS adjusted net profit attributable to owners of the parent increased by 6.4% as compared with the corresponding period of the previous year.