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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)

2024 THIRD 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).

Reference is made to the “Asymchem Laboratories (Tianjin) Co., Ltd. 2024 Quarterly Report for the Third Quarter” published by the Company on the website of the Shenzhen Stock Exchange, for reference purpose only. The third quarterly report for 2024 of the Company (the “**2024 Third Quarterly Report**”) is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the report shall prevail.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company reminds shareholders and potential investors of the Company that the information and financial data set out in this announcement are unaudited, have been reviewed by the audit committee of the Company, but have not been reviewed by the independent auditors of the Company.

The unaudited financial data in the 2024 Third Quarterly Report set out in this announcement is prepared in accordance with the Chinese Accounting Standards for Business Enterprises of the People's Republic of China and/or the International Financial Reporting Standards (the “**IFRSs**”) issued by the International Accounting Standards Board (as applicable), and is prepared pursuant to the requirements of the Main Board of the Shenzhen Stock Exchange.

By order of the Board

Asymchem Laboratories (Tianjin) Co., Ltd.

Dr. Hao Hong

Chairperson of the Board, Executive Director and Chief Executive Officer

Tianjin, the PRC, 29 October 2024

As of the date of this announcement, the Board of the Company comprises Dr. Hao Hong as the Chairperson of the Board 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 Dr. Sun Xuejiao, Mr. Hou Xinyi and Mr. Lee, Kar Chung Felix as independent non-executive Directors.

Asymchem Laboratories (Tianjin) Co., Ltd.

2024 QUARTERLY REPORT FOR THE THIRD QUARTER

The Company and all members of the Board hereby confirm that the information disclosed herein is true, accurate and complete and does not contain any false information, misleading statements or material omissions.

IMPORTANT NOTICE:

1. The Board, the board of supervisors along with directors, supervisors and the senior management of the Company confirm that the quarterly 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 the accounting department (accounting head) of the Company hereby confirm the truthfulness, accuracy and completeness of the financial information contained in this quarterly report.
3. Whether this third 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 in prior years

☐ Yes ☒ No

				Increase/decrease from the beginning of the year to the end of the Reporting Period as compared to the same period of last year
	For the three months ended 30 September 2024 ("the Reporting Period")	Increase/decrease for the Reporting Period as compared with the same period of last year	From the beginning of the year to the end of the Reporting Period	
Operating Revenue (<i>RMB</i>)	1,442,936,480.71	(18.09%)	4,140,288,577.71	(35.14%)
Net profit attributable to shareholders of the parent (<i>RMB</i>)	211,193,808.47	(59.68%)	710,325,102.11	(67.86%)
Net profit attributable to shareholders of the parent after deducting non-recurring profit or loss (<i>RMB</i>)	215,129,543.31	(54.02%)	663,411,305.01	(67.41%)
Net cash flow from operating activities (<i>RMB</i>)	–	–	1,052,859,875.02	(63.24%)
Basic earnings per share (<i>RMB per share</i>)	0.61	(57.93%)	2.01	(67.05%)
Diluted earnings per share (<i>RMB per share</i>)	0.61	(57.93%)	2.01	(67.05%)
Weighted average return on net assets	1.28%	(1.90%)	3.98%	(9.46%)

				Increase/decrease as at the end of the Reporting Period as compared to the end of the last year
	At the end of the Reporting Period	At the end of last year		
Total assets (<i>RMB</i>)	18,697,738,384.98	19,767,158,652.70		(5.41%)
Owners' equity attributable to shareholders of the parent (<i>RMB</i>)	16,612,883,565.94	17,479,716,341.34		(4.96%)

(II) Brief Summary of the Operation During the Reporting Period

Despite ongoing challenges facing the industry in 2024, the trend of specialization and division of labor in the international pharmaceutical industry remained unchanged. The penetration rate of pharmaceutical outsourcing services continued to rise along with stable demand for small molecule drug outsourcing. Meanwhile, markets for peptides, ADCs, and small nucleic acids remained active, bringing new opportunities and incremental market space. During the Reporting Period, the Company progressed to upgrade and optimize its management and operational system, accelerating its globalization layout. The first R&D and pilot plant base in Europe, the Sandwich Site, has commenced operation and begun to take new orders, further supporting the improvement of the Company's global supply chain system. Building on this foundation, the Company facilitated overseas commercialization capacity. In addition, the Company accelerated the expansion of peptide business and its capacity construction, having secured multiple middle-to-late clinical stage peptide projects from multinational pharmaceutical companies and signed a GLP-1 peptide commercialization order with a significant domestic client. As of the end of the Reporting Period, the Company's solid-phase synthesis peptide capacity exceeded 20,000L to meet the commercialization production needs of domestic and international clients. The Company continues to strengthen its partnership with leading customers, actively expanding both domestic and international markets and broadening its customer base. The new order continues to be improved.

During the third quarter of 2024, the Company achieved an overall revenue of RMB1,443 million, marking a period-on-period growth of 12.23% excluding large orders and a rise of 11.21% from the previous quarter. The small molecule business generated a revenue of RMB1,192 million, increasing by 18.89% period-on-period excluding large orders and 22.52% quarter-on-quarter respectively. The emerging business reflected a revenue of RMB245 million, representing a 13.26% period-on-period decline. Based on the order backlog and execution status, the emerging business will resume a growth trend in the fourth quarter.

During the first three quarters of 2024, the Company recorded a total revenue of RMB4,140 million, representing a decrease of 35.14% period-on-period, and an increase of 4.48% period-on-period excluding large orders. The Company recognized a revenue of RMB3,387 million in small molecule projects, representing an increase of 7.71% excluding the impact of revenue from large orders in the same period of last year. The emerging businesses achieved a revenue of RMB745 million with a decrease of 8.37% period-on-period, primarily attributable to the slow recovery in biotech funding. Revenue from multinational pharmaceutical companies amounted to RMB2,013 million, representing an increase of 11.10% period-on-period excluding the impact of revenue from large orders in the same period of last year. Revenue from small and medium-sized pharmaceutical companies amounted to RMB2,127 million, representing a slight decrease of 1.09% period-on-period. Revenue from overseas small and medium-sized pharmaceutical companies was RMB1,078 million, reflecting a slight decrease of 0.03% period-on-period.

During the first three quarters of 2024, the Company achieved a gross profit margin of 43.60%, reflecting a slight decline of 1.02 percentage points period-on-period excluding the impact of large orders. The gross profit margin for small molecule business was 48.89%, reporting a 1.19 percentage points rise period-on-period excluding large orders. With the effective implementation of the Company's various cost control measures, as well as the growth of late-stage clinical projects and commercial projects, the small molecule business has basically absorbed the additional resources resulting from large orders. However, the gross profit margin for emerging business was 19.97%, representing a decrease of 12.99 percentage points period-on-period. This decline is primarily affected by the continued sluggishness of the domestic market and the fact that certain businesses are still in a capacity ramp up phase. This issue will be gradually eased as project deliveries continue to increase, especially with the growing number of overseas projects.

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

☒ Applicable ☐ Not Applicable

Unit: RMB

Items	Amount for the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period
Gains or losses on disposal of non-current assets (including the written-off portion of provision for asset impairment)	(1,692,792.71)	(2,014,988.05)
Subsidies included in profit or loss for the Reporting Period (excluding those closely relevant to the Company's normal operations, in compliance with laws and regulations, in accordance with determined standards, and have a continuous impact on the Company's profit or loss)	1,596,194.00	22,535,883.50
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	6,335,181.00	45,991,690.67
One-time share-based payment expense recognized for cancellation, modification of share incentive plan	(9,342,583.74)	(9,342,583.74)
Other non-operating gain and loss other than the above	(1,752,231.37)	(1,692,687.49)
Less: Effect of income tax	(865,603.42)	8,603,479.03
Effect of non-controlling interests (after tax)	(54,894.56)	(39,961.24)
Total	<u>(3,935,734.84)</u>	<u>46,913,797.10</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.

(IV) Changes in the Major Accounting Data and Financial Indicators and the Reasons Thereof

☒ Applicable ☐ Not Applicable

Unit: RMB

I. Items of balance sheet	Amount at the end of the Reporting Period	Amount at the beginning of the year	Percentage of change	Reasons for change
Prepayments	121,121,558.30	89,576,913.03	35.22%	Primarily due to the increase in prepayment for purchases and other unamortized operating expenses.
Inventories	1,197,917,336.02	945,347,307.48	26.72%	Primarily due to the impact of the order delivery cycle.
Long-term equity investments	529,891,369.15	260,144,136.53	103.69%	Primarily due to the increase in the Company's investment in associates.
Construction in progress	1,766,498,934.76	1,330,741,548.25	32.75%	Primarily due to the continuous increase in the capacity expansion.
Deferred tax asset	277,456,752.39	213,214,992.73	30.13%	Primarily due to the increase in deferred tax assets recognized for deductible losses.
Account payable	550,894,605.42	453,620,062.39	21.44%	Primarily due to the increase in purchase of raw materials.
Contract liabilities	266,733,096.09	221,204,438.70	20.58%	Primarily due to the increase in the prepayments from customers.
Other payables	476,760,385.78	711,851,901.77	(33.03%)	Primarily due to the decrease in restricted shares.
Treasury shares	1,232,757,710.69	494,010,448.49	149.54%	Primarily due to the Share repurchase.

II. Items of income statement	Amount for the period from January to September 2024	Amount for the previous period from January to September 2023	Percentage of change	Reasons for change
Total operating revenue	4,140,288,577.71	6,383,057,146.18	(35.14%)	Primarily due to the delivery of large orders during the same period last year, with no related orders this year.
Interest income	167,379,862.69	104,684,350.52	59.89%	Primarily due to the increase in income from time deposits to ensure better capital preservation and appreciation.
Operating profit	761,464,727.45	2,489,587,256.13	(69.41%)	Primarily due to the decrease in revenue during the period from January to September 2024.
III. Items of statement of cash flows	Amount for the period from January to September 2024	Amount for the previous period from January to September 2023	Percentage of change	Reasons for change
Payments of all types of taxes	254,396,096.37	464,208,859.89	(45.20%)	Primarily due to the decrease in operating profit and income tax expense.
Cash received relating to other investing activities	8,639,899,341.91	19,876,720,474.17	(56.53%)	Primarily due to the decrease in the purchase of low-risk bank wealth management products.
Cash paid for investments	240,000,000.00	48,881,082.00	390.99%	Primarily due to the participation in investing industry funds during the period from January to September 2024.
Cash payments relating to other investing activities	8,696,095,343.98	20,115,823,899.63	(56.77%)	Primarily due to the decrease in the purchase of low-risk bank wealth management products during the period from January to September 2024.
Cash received from capital contribution	–	155,043,000.00	(100.00%)	Primarily due to the subscription of shares in Employee Stock Ownership Plan during the period from January to September 2023.
Cash payments relating to other financing activities	1,262,542,743.93	14,941,209.39	8,350.07%	Primarily due to the repurchase of the Company's shares during the period from January to September 2024.

IV. 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	53,290	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any)	—
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Shareholdings of the top ten shareholders (without refinancing's securities lending business)

Name of Shareholder	Nature of Shareholder	Shareholding ratio	Number of shares held	Number of restricted shares held	Pledged, tagged or frozen Share status	Number
ASYMCHEM LABORATORIES, INCORPORATED	Foreign legal person	31.31%	115,133,168	—	Not applicable	—
HKSCC NOMINEES LIMITED ^{Note 1}	Foreign legal person	7.49%	27,553,260	—	Not applicable	—
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	4.31%	15,855,520	—	Not applicable	—
HAO HONG	Foreign natural person	3.88%	14,268,699	10,701,524	Not applicable	—
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	Foreign legal person	2.54%	9,322,156	—	Not applicable	—
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	2.18%	8,005,609	—	Not applicable	—
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	1.78%	6,555,504	—	Not applicable	—
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	1.56%	5,725,660	—	Not applicable	—
Asymchem Laboratories (Tianjin) Co., Ltd. – 2022 Employee Share Ownership Plan (凱萊英醫藥集團(天津)股份有限公司 – 2022 年員工持股計劃)	Others	1.20%	4,429,800	—	Not applicable	—
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	1.07%	3,952,012	—	Not applicable	—

Shareholding of top ten shareholders without selling restrictions
(without refinancing's securities lending shares and shares locked up for senior management)

Name of Shareholder	Number of shares held without selling restrictions	Types and number 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)	15,855,520	RMB-dominated ordinary shares	15,855,520
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	9,322,156	RMB-dominated ordinary shares	9,322,156
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)	8,005,609	RMB-dominated ordinary shares	8,005,609
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
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)	5,725,660	RMB-dominated ordinary shares	5,725,660
Asymchem Laboratories (Tianjin) Co., Ltd. – 2022 Employee Share Ownership Plan (凱萊英醫藥集團(天津)股份有限公司 – 2022 年 員工持股計劃)	4,429,800	RMB-dominated ordinary shares	4,429,800
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)	3,952,012	RMB-dominated ordinary shares	3,952,012
Industrial and Commercial Bank of China Limited – Huatai- PineBridge CSI300 ETF (中國工商銀行股份有限公司 – 華泰柏瑞 滬深 300 交易型開放式指數證券投資基金)	3,894,279	RMB-dominated ordinary shares	3,894,279

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 “香港中央結算(代理人)有限公司”, 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 6,555,504 shares
through credit securities accounts.

Note: As of 30 September 2024, the Company's specified account for share repurchase held a total of 12,838,703 shares, of which 538,002 A shares were repurchased under the 2022 Share Repurchase Scheme and 12,300,701 shares were repurchased under the 2024 Share Repurchase Scheme. According to the relevant disclosure rules, the account above is not included in the top 10 shareholders.

Information on the shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions participating in the refinancing's securities lending business

☒ Applicable ☐ Not Applicable

Unit: Share

Information on the shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions participating in the refinancing's securities lending business

Shareholders (full name)	The shareholdings of ordinary account and credit account at the beginning of the year		The outstanding shares of refinancing's securities lending business at the beginning of the year		The shareholdings of ordinary account and credit account at the end of the Reporting Period		The outstanding shares of refinancing's securities lending business at the end of the Reporting Period	
	Percentage of the total issued		Percentage of the total issued		Percentage of the total issued		Percentage of the total issued	
	Number of shares	share capital	Number of shares	share capital	Number of shares	share capital	Number of shares	share capital
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)	7,140,697	1.93%	150,700	0.04%	8,005,609	2.18%	–	–
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)	4,087,968	1.11%	12,900	0.00%	3,952,012	1.07%	–	–

Change in the top ten shareholders and the top ten shareholders without selling restrictions from the previous period due to the shares lending or returning of refinancing's securities lending business

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

V. OTHER SIGNIFICANT EVENTS

☒ Applicable ☐ Not Applicable

1. Share Repurchase

On 29 February 2024, the Company held the second extraordinary general meeting of 2024, the second A shares class meeting of 2024 and the second H shares class meeting of 2024, where the Proposal on Repurchase of the Shares of the Company was considered and approved. Pursuant to the share repurchase plan, the Company will repurchase the A shares of the Company in the secondary market through centralized price bidding. The total amount of funds for the A share repurchase will be no less than RMB600 million (inclusive) and no more than RMB1.2 billion (inclusive). The price of the A share repurchase will be no more than RMB157 per share. As of 30 June 2024, the Company had successfully accumulatively repurchased 12,300,701 A shares, representing 3.5976% of the Company's total A share capital, through the centralized competitive bidding process on the Shenzhen Stock Exchange. The repurchase prices ranged from a minimum of RMB71.65 to a maximum of RMB102.00 per share, utilizing a total of RMB999,644,601.56 in funds (excluding commissions and additional fees). For the details and progress of the repurchase, please refer to the related announcements published in the "Securities Times", "China Securities Journal", and on the China Information Network ("CNINF") (<http://www.cninfo.com.cn>).

2. Shareholding Increase Plan

On 11 September 2024, the Company published the "Announcement on the Shareholding Plan of Certain Directors, Senior Management, and Core Technical and Business Personnel to Increase Shareholdings in the Company's A Shares". Directors Mr. Zhang Da, Mr. Hong Liang, Ms. Zhang Ting, along with the senior management Mr. Jiang Yingwei, Mr. Chen Chaoyong, Mr. Zhou Yan, Mr. Xu Xiangke, and some core technical and business personnel, have expressed confidence in the Company's future continuous and stable development prospects and recognition of the Company's value. Additionally, to promote the Company's ongoing, stable, and healthy development and to protect the interests of the Company's investors, the above-mentioned persons plan to increase their shareholdings of the Company's A Shares through centralized competitive bidding transactions, with a total investment of no less than RMB20 million. For specific details, please refer to the related announcements published in the "Securities Times," "China Securities Journal," and on the CNINF (<http://www.cninfo.com.cn>).

VI. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statement

1. Consolidated Balance Sheet

Prepared by: Asymchem Laboratories (Tianjin) Co., Ltd.
30 September 2024

Unit: RMB

Item	Amount at the end of the Reporting Period	Amount at the beginning of the year
Current Assets:		
Monetary funds	5,202,117,377.68	7,109,986,608.90
Financial assets held for trading	1,956,789,667.46	1,905,778,817.12
Notes receivable	11,488,125.00	12,227,969.83
Accounts receivable	1,659,627,764.82	1,998,761,477.83
Prepayments	121,121,558.30	89,576,913.03
Other receivables	35,370,480.05	27,471,256.49
Inventories	1,197,917,336.02	945,347,307.48
Contract assets	76,136,859.63	80,828,756.56
Non-current assets due within one year	146,404,388.88	—
Other current assets	204,623,022.69	182,079,364.71
Total current assets	10,611,596,580.53	12,352,058,471.95
Non-current assets:		
Long-term equity investments	529,891,369.15	260,144,136.53
Other equity investments	—	30,488,076.47
Other non-current financial assets	155,475,874.53	130,475,559.65
Fixed assets	3,990,526,534.49	3,912,950,846.77
Construction in progress	1,766,498,934.76	1,330,741,548.25
Right-of-use assets	94,730,413.77	114,421,519.64
Intangible assets	452,278,721.27	465,613,272.44
Goodwill	146,183,447.05	146,183,447.05
Long-term prepaid expenses	107,717,226.16	122,388,266.95
Deferred tax assets	277,456,752.39	213,214,992.73
Other non-current assets	565,382,530.88	688,478,514.27
Total non-current assets	8,086,141,804.45	7,415,100,180.75
Total assets	18,697,738,384.98	19,767,158,652.70

Item	Amount at the end of the Reporting Period	Amount at the beginning of the year
Current liabilities:		
Short-term liabilities	–	12,227,969.83
Accounts payable	550,894,605.42	453,620,062.39
Contract liabilities	266,733,096.09	221,204,438.70
Employee benefits payable	198,930,824.27	295,991,935.36
Taxes payable	61,576,178.75	77,179,861.37
Other payables	476,760,385.78	711,851,901.77
Current portion of non-current liabilities	30,558,839.69	28,534,818.41
Other current liabilities	377,353.69	191,941.07
Total current liabilities	1,585,831,283.69	1,800,802,928.90
Non-current liabilities:		
Lease liabilities	85,145,286.84	106,486,053.15
Provision	459,159.30	–
Deferred income	260,118,202.54	232,599,129.19
Deferred tax liabilities	132,956,073.51	117,291,776.31
Total non-current liabilities	478,678,722.19	456,376,958.65
Total liabilities	2,064,510,005.88	2,257,179,887.55
Owners' equity:		
Share capital	367,716,423.00	369,471,533.00
Capital reserve	9,411,749,101.28	9,612,482,375.95
Less: Treasury shares	1,232,757,710.69	494,010,448.49
Accumulated other comprehensive income	20,659,572.44	22,879,593.24
Special reserve	163,378.09	–
Surplus reserve	208,970,876.28	208,970,876.28
Retained earnings	7,836,381,925.54	7,759,922,411.36
Total equity attributable to owners of the parent company	16,612,883,565.94	17,479,716,341.34
Non-controlling interests	20,344,813.16	30,262,423.81
Total owners' equity	16,633,228,379.10	17,509,978,765.15
Total liabilities and owners' equity	18,697,738,384.98	19,767,158,652.70

Legal representative:
HAO HONG

Accounting chief:
Zhang Da

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

2. Consolidated Statement of Profit as at the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount for the period (January- September 2024)	Amount for the previous period (January- September 2023)
I. Total operating revenue	4,140,288,577.71	6,383,057,146.18
Of which: Operating revenue	4,140,288,577.71	6,383,057,146.18
II. Total operating costs	3,420,429,666.50	4,052,138,575.07
Of which: Operating cost	2,334,932,347.39	2,928,087,440.86
Tax and surcharges	72,391,395.22	59,382,485.19
Selling expenses	167,222,158.04	138,989,428.90
Administrative expenses	535,086,892.57	561,460,388.92
R&D expenses	484,138,518.89	513,114,161.26
Finance costs	(173,341,645.61)	(148,895,330.06)
Of which: Interest expense	3,691,338.06	1,237,997.21
Interest income	167,379,862.69	104,684,350.52
Add: Other income	28,111,767.01	41,194,294.35
Investment income (loss is represented by “()”)	27,595,786.71	108,554,140.73
Of which: Gains from investment in associates and joint ventures	(8,983,173.85)	23,696,539.16
Gains from change in fair value (loss is represented by “()”)	7,267,082.34	24,892,647.40
Impairment loss of credit (loss is represented by “()”)	(9,072,203.77)	(15,943,979.46)
Impairment loss of assets (loss is represented by “()”)	(12,680,700.98)	—
Gain from assets disposal (loss is represented by “()”)	384,084.93	(28,418.00)
III. Operational profit (loss is represented by “()”)	761,464,727.45	2,489,587,256.13
Add: Non-operating income	566,415.17	113,248.79
Less: Non-operating expense	2,876,465.09	1,578,721.99

Item	Amount for the period (January- September 2024)	Amount for the previous period (January- September 2023)
IV. Total profit (total loss is represented by “()”)	759,154,677.53	2,488,121,782.93
Less: Income tax expense	58,975,496.36	287,313,104.48
V. Net profit (net loss is represented by “()”)	700,179,181.17	2,200,808,678.45
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “()”)	700,179,181.17	2,200,808,678.45
(II) Classified by ownership of equity		
1. Net profit attributable to the shareholders of the parent (net loss is represented by “()”)	710,325,102.11	2,210,105,678.50
2. Non-controlling interests (net loss is represented by “()”)	(10,145,920.94)	(9,297,000.05)
VI. Other comprehensive income, net of tax	(1,805,155.80)	9,862,459.38
Other comprehensive income attributable to the owners of the parent, net of tax	(1,805,155.80)	9,862,459.38
Other comprehensive income to be reclassified to profit or loss	(1,805,155.80)	9,862,459.38
Exchange differences on translation of foreign currency financial statements	(1,805,155.80)	9,862,459.38
VII. Total comprehensive income	698,374,025.37	2,210,671,137.83
(I) Total comprehensive income attributable to the owners of the parent company	708,519,946.31	2,219,968,137.88
(II) Total comprehensive income attributable to non-controlling shareholders	(10,145,920.94)	(9,297,000.05)
VIII. Earnings per share:		
(I) Basic earnings per share	2.01	6.10
(II) Diluted earnings per share	2.01	6.10

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 as at the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount for the period (January-September 2024)	Amount for the previous period (January-September 2023)
I. Cash flow from operating activities:		
Received from the sales of goods and the rendering of services	4,582,334,555.22	6,485,259,540.86
Receipts of tax and surcharges refunds	207,420,599.56	282,192,777.58
Cash received relating to other operating activities	188,608,193.31	172,736,270.48
Sub-total of cash inflows from operating activities	4,978,363,348.09	6,940,188,588.92
Cash paid to the purchase of goods and services	1,509,153,916.03	1,570,814,104.79
Cash paid to and for employees	1,830,737,865.18	1,772,912,538.57
Payments of all types of taxes	254,396,096.37	464,208,859.89
Cash payments relating to other operating activities	331,215,595.49	267,998,485.95
Sub-total of cash outflows from operating activities	3,925,503,473.07	4,075,933,989.20
Net cash flow from operating activities	1,052,859,875.02	2,864,254,599.72
II. Cash flow from investing activities:		
Cash received from returns on investments	62,443,454.39	136,301,485.86
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	17,200.00	20,011,875.67
Net cash received from disposals of subsidiaries and other operating units	36,683,538.83	71,458,025.86
Cash received relating to other investing activities	8,639,899,341.91	19,876,720,474.17
Sub-total of cash inflows from investing activities	8,739,043,535.13	20,104,491,861.56

Item	Amount for the period (January- September 2024)	Amount for the previous period (January- September 2023)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	894,070,187.47	824,835,539.86
Cash paid for investments	240,000,000.00	48,881,082.00
Net cash paid for acquisition of subsidiaries and other operating units	–	10,000,000.00
Cash payments relating to other investing activities	8,696,095,343.98	20,115,823,899.63
Sub-total of cash outflows from investing activities	9,830,165,531.45	20,999,540,521.49
Net cash flow from investing activities	(1,091,121,996.32)	(895,048,659.93)
III. Cash flow from financing activities:		
Cash received from capital contribution	–	155,043,000.00
Sub-total of cash inflows from financing activities	–	155,043,000.00
Cash payments for distribution of dividends, profits, or interest expenses	640,442,094.91	655,034,140.32
Cash payments relating to other financing activities	1,262,542,743.93	14,941,209.39
Sub-total of cash outflows from financing activities	1,902,984,838.84	669,975,349.71
Net cash flow from financing activities	(1,902,984,838.84)	(514,932,349.71)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	7,161,232.31	33,254,224.18
V. Net increase in cash and cash equivalents	(1,934,085,727.83)	1,487,527,814.26
Add: Balance of cash and cash equivalents at the beginning of the period	4,771,611,359.03	4,418,177,853.75
VI. Balance of cash and cash equivalents at the end of the period	2,837,525,631.20	5,905,705,668.01

(II) Particulars in Relation to Adjustments Made to the Financial Statements as at the Beginning of the Year of the Initial Adoption of the New Accounting Standards since 2024

☐ Applicable ☒ Not Applicable

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

Consolidated Statement of Profit or Loss
January to September 2024

Unit: RMB'000

	January to September 2024	January to September 2023
Revenue	4,090,771	6,344,585
Cost of sales	<u>(2,334,932)</u>	<u>(2,928,087)</u>
Gross profit	1,755,839	3,416,498
Other income and gains	263,183	304,802
Selling and distribution expenses	(167,222)	(138,989)
Administrative expenses	(558,267)	(583,488)
Research and development expenses	(484,139)	(513,114)
Net impairment losses on financial and contract assets	(9,927)	(15,944)
Other expenses	(27,638)	(4,100)
Finance costs	(3,691)	(1,240)
Share of (loss)/profit of associate	<u>(8,983)</u>	<u>23,697</u>
Profit before tax	759,155	2,488,122
Income tax expense	<u>(58,975)</u>	<u>(287,313)</u>
Profit for the period	<u>700,180</u>	<u>2,200,809</u>
Attributable to:		
Owners of the parent	710,326	2,210,106
Non-controlling interests	<u>(10,146)</u>	<u>(9,297)</u>
	<u>700,180</u>	<u>2,200,809</u>
Earnings per share attributable to ordinary equity holders of the parent		
Basic (expressed in RMB per share)	<u>2.01</u>	<u>6.10</u>
Diluted (expressed in RMB per share)	<u>2.01</u>	<u>6.10</u>

Consolidated Statements of Comprehensive Income
January to September 2024

Unit: RMB'000

	January to September 2024	January to September 2023
Profit for the period	<u>700,180</u>	<u>2,200,809</u>
Other comprehensive income		
Exchange differences on translation of foreign operations	<u>(1,805)</u>	<u>9,862</u>
Total comprehensive income for the period	<u>698,375</u>	<u>2,210,671</u>
Attributable to:		
Owners of the parent	708,521	2,219,968
Non-controlling interests	<u>(10,146)</u>	<u>(9,297)</u>
	<u>698,375</u>	<u>2,210,671</u>

Consolidated Statement of Financial Position
30 September 2024

Unit: RMB'000

	30 September 2024	31 December 2023
Non-current assets		
Property, plant and equipment	5,864,743	5,366,081
Right-of-use assets	499,748	526,467
Goodwill	146,183	146,183
Other intangible assets	47,261	53,568
Deferred tax assets	277,457	213,215
Investments in associates	529,891	260,144
Prepayments, deposits and other receivables	565,383	688,479
Financial assets at fair value through profit or loss	155,476	130,476
Equity investments at fair value through other comprehensive income	—	30,488
	<hr/>	<hr/>
Total non-current assets	8,086,142	7,415,101
Current assets		
Inventories	1,197,917	945,347
Trade receivables	1,670,973	2,010,989
Contract assets	76,137	80,829
Prepayments, deposits and other receivables	507,141	296,573
Tax recoverable	379	2,554
Financial assets at fair value through profit or loss	1,956,790	1,905,779
Amounts due from related parties	143	—
Cash and cash equivalents	5,202,117	7,109,987
	<hr/>	<hr/>
Total current assets	10,611,597	12,352,058
Current liabilities		
Trade payables	549,721	452,365
Other payables and accruals	947,330	1,275,184
Interest-bearing bank and other borrowings	—	12,228
Lease liabilities	30,559	28,535
Tax payable	30,048	31,235
Amounts due to related parties	1,175	1,256
	<hr/>	<hr/>
Total current liabilities	1,585,833	1,800,803
Net current assets	9,025,764	10,551,255
	<hr/>	<hr/>
Total assets less current liabilities	17,111,906	17,966,356

	30 September 2024	31 December 2023
Non-current liabilities		
Deferred income	260,118	232,599
Lease liabilities	85,145	106,486
Provision	459	—
Deferred tax liabilities	132,956	117,292
	<hr/>	<hr/>
Total non-current liabilities	478,678	456,377
	<hr/>	<hr/>
Net assets	16,633,228	17,509,979
	<hr/>	<hr/>
Equity		
Equity attributable to owners of the parent		
Share capital	367,716	369,472
Treasury shares	(1,232,758)	(494,010)
Other reserves	17,477,925	17,604,255
	<hr/>	<hr/>
Non-controlling interests	20,345	30,262
	<hr/>	<hr/>
Total equity	16,633,228	17,509,979
	<hr/>	<hr/>

Consolidated Statement of Cash Flows

January to September 2024

Unit: RMB'000

	January to September 2024	January to September 2023
Cash flows from operating activities		
Profit before tax	759,155	2,488,122
Adjustments for:		
Finance costs	3,691	(1,240)
Share of (profit)/loss of associates	8,983	(23,697)
Interest income	(87,245)	(36,194)
Investment income	(38,361)	(105,449)
Fair value gains on financial assets/liabilities at fair value through profit or loss	15,818	(36,857)
Loss on disposal of items of property, plant and equipment	(5)	724
Loss on sale of used assets	—	(25)
Depreciation of property, plant and equipment	319,924	323,949
Depreciation of right-of-use assets	30,686	32,462
Amortization of other intangible assets	6,980	7,156
Impairment losses on trade receivables and contract assets, net	9,927	15,944
Loss on impairment of inventories	11,825	—
Equity-settled share option expense	59,394	22,974
	1,100,772	2,687,869
(Increase)/decrease in pledged deposits	(48,273)	2,379
Increase in inventories	(252,570)	630,054
Increase in trade receivables	340,016	(25,082)
(Increase)/decrease in contract assets	4,691	(18,610)
Increase in prepayments, deposits and other receivables	(75,837)	(42,451)
Increase in trade payables	97,276	(175,316)
Increase in other payables and accruals	141,181	84,205
Cash generated from operations	1,307,256	3,143,048
Tax paid	(254,396)	(278,793)
Net cash flows from operating activities	1,052,860	2,864,255

	January to September 2024	January to September 2023
Cash flows from investing activities		
Interest received	62,479	36,194
Purchases of items of property, plant and equipment and other intangible assets	(894,070)	(824,836)
Proceeds from disposal of items of property, plant and equipment	17	20,012
Acquisition of a subsidiary	–	(10,000)
Proceeds from disposal of a subsidiary	3,648	71,458
Proceeds from disposal of equity investment	33,000	–
Purchase of investments at fair value through profit or loss	(5,940,522)	(18,512,362)
Proceeds from disposal of investments at fair value through profit or loss	5,820,500	18,614,966
Increase in investment in associates	(240,000)	–
Purchase of time deposits	(2,731,080)	(1,652,343)
Proceeds from maturity of time deposits	2,808,736	1,359,827
(Increase)/decrease in cash deposits	(13,829)	2,035
Net cash flows used in investing activities	(1,091,121)	(895,049)
Cash flows from financing activities		
Proceeds from issue of shares	–	155,043
Dividends paid to shareholders	(640,442)	(655,034)
Share repurchase payment	(1,238,527)	–
Principal portion of lease payments	(24,016)	(14,941)
Net cash flows from financing activities	(1,902,985)	(514,932)
Net increase in cash and cash equivalents	(1,941,246)	1,454,274
Cash and cash equivalents at the beginning of the year	4,771,612	4,418,178
Effect of foreign exchange rate changes, net	7,160	33,254
Cash and cash equivalents at the end of the year	2,837,526	5,905,706
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents as stated in the statement of financial position	5,202,117	7,099,551
Less: Term deposits with original maturity of more than three months	(2,293,532)	(1,182,107)
Pledged for letters of credit and others	(71,059)	(11,738)
Cash and cash equivalents as stated in the statement of cash flows	2,837,526	5,905,706

(IV) Non-IFRS Measures

Item	For the nine months ended 30 September 2024 <i>RMB'000</i> (except percentage)	For the nine months ended 30 September 2023 <i>RMB'000</i> (except percentage)
Net profit attributable to shareholders of the parent	710,325	2,210,106
Add:		
Amortization expenses of share-based compensation	59,394	38,304
Gain or loss on exchange rate fluctuations	(57,586)	(57,927)
Income tax effect	(271)	2,943
Adjusted net profit attributable to shareholders of the parent	711,862	2,193,426
Adjusted net profit margin attributable to shareholders of the parent	17.40%	34.57%

(V) Auditors' Report

Whether this third quarterly report is audited or not

☐ Yes ☒ No

This third quarterly report of the Company is unaudited.