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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 FIRST QUARTERLY REPORT

This announcement is made by Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司) (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the “Asymchem Laboratories (Tianjin) Co., Ltd. 2024 Quarterly Report for the First Quarter” published by the Company on the website of the Shenzhen Stock Exchange, for reference purpose only. The first quarterly report for 2024 of the Company (the “**2024 First 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 First 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

Chairman of the Board, Executive Director and Chief Executive Officer

Tianjin, 25 April 2024

As of the date of this announcement, the Board of Directors of the Company comprises Dr. Hao Hong as the Chairman of the Board of Directors and executive Director, Ms. Yang Rui, Mr. Zhang Da and Mr. Hong Liang as executive Directors, Dr. Ye Song and Ms. Zhang Ting as non-executive Directors, and 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 FIRST 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 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 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 first quarterly report is audited or not
☐ Yes ☒ No

I. MAJOR ACCOUNTING DATA

(I) Major Accounting Data and Financial Indicators

Does the Company require a retroactive adjustment or restatement on the financial data in prior years

☐ Yes ☒ No

	The Reporting Period	Same period of the last year	Increase/decrease as compared with the same period of the last year
Operating Revenue (<i>RMB</i>)	1,399,808,311.93	2,249,034,497.62	(37.76)%
Net profit attributable to shareholders of the parent (<i>RMB</i>)	281,970,252.06	630,346,004.43	(55.27)%
Net profit attributable to shareholders of the parent after deducting non-recurring profit and loss (<i>RMB</i>)	253,974,228.11	617,637,901.61	(58.88)%
Net cash flow from operating activities (<i>RMB</i>)	490,666,474.36	1,303,525,263.66	(62.36)%
Basic earnings per share (<i>RMB per share</i>)	0.76	1.72	(55.81)%
Diluted earnings per share (<i>RMB per share</i>)	0.76	1.72	(55.81)%
Weighted average return on net assets	1.60%	3.95%	(2.35)%
	At the end of the Reporting Period	At the end of last year	Increase/decrease as at the end of the Reporting Period as compared to the end of the last year
Total assets (<i>RMB</i>)	19,841,423,232.54	19,767,158,652.70	0.38%
Owners' equity attributable to shareholders of the parent (<i>RMB</i>)	17,578,908,929.36	17,479,716,341.34	0.57%

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

In 2024, adhering to the technology-driven strategy, the Company strengthens the construction of R&D platforms, promote the fast growth of emerging businesses and continue promoting the both the quality and scale of core small molecule CDMO business. At the same time, the Company will also accelerate the layout of its overseas production capacity, iteratively upgrade the operation management system, improve employees' efficiency and promote the re-balance of the Company's overall profitability. During the Reporting Period, the Company steadily advanced the annual business plan, the small molecule chemical business continued to maintain rapid growth, and emerging businesses were affected by the gradual recovery of the domestic industry, with a slower growth rate than the small molecule business. At the same time, the Company accelerated its overseas layout and key reserve projects gradually entered the production and service stage, laying a good foundation for the subsequent supply of commercial projects and the formation of economies of scale.

During the Reporting Period, the Company recorded a total revenue of RMB1,400 million, representing a decrease of 37.76% year-on-year, and an increase of 15.21% year-on-year excluding large orders, with a 62.80% increase of revenue from European and U.S. market excluding large orders. The company achieved an overall gross profit margin of 43.52%, representing an increase of 5.49 percentage points from the previous quarter. Revenue from multinational pharmaceutical companies amounted to RMB482 million, representing an increase of 19.62% year-on-year 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 RMB918 million, representing an increase of 13.02 % year-on-year. The revenue of small molecule CDMO reached RMB1,223 million with a gross profit margin of 47.34%, manifesting a 26.58% increase year-on-year excluding the impact of revenue from large orders in the same period of last year. The Company progressed 30 small molecule commercialization projects and 148 small molecule clinical stage projects, including 41 clinical phase III projects. The emerging businesses achieved revenue of RMB176 million, representing a year-on-year decrease of 29.30% and a gross profit margin of 17.30% due to the continuous impact of the domestic investment and financing environment.

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

☒ Applicable ☐ Not Applicable

Unit: RMB

Items	Amount in the Reporting Period
Gains or losses on disposal of non-current assets (including the written-off portion of provision for asset impairment)	(311,651.23)
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)	17,044,519.37
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	16,294,662.17
Other non-operating gain and loss other than the above	286,640.00
Less: Effect of income tax	5,268,117.23
Effect of non-controlling interests (after tax)	50,029.13
Total	<u><u>27,996,023.95</u></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.

II. INFORMATION OF SHAREHOLDERS

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

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	57,420	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	31.16%	115,133,168.00	–	Not applicable	–
HKSCC NOMINEES LIMITED Note [1]	Foreign legal person	7.46%	27,553,260.00	–	Not applicable	–
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	Foreign legal person	4.72%	17,425,056.00	–	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	4.13%	15,276,053.00	–	Not applicable	–
HAO HONG	Foreign natural person	3.86%	14,268,699.00	10,701,524.00	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	1.85%	6,838,037.00	–	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	1.77%	6,555,504.00	–	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	1.44%	5,324,840.00	–	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%	4,429,800.00	–	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	1.11%	4,111,272.00	–	Not applicable	–

Shareholding of top ten shareholders without selling restrictions

Name of Shareholder	Number of shares held without selling restrictions	Types and number of shares	
		Types of shares	Number
ASYMCHEM LABORATORIES, INCORPORATED	115,133,168.00	RMB-dominated ordinary shares	115,133,168.00
HKSCC NOMINEES LIMITED Note [1]	27,553,260.00	Overseas listed foreign shares	27,553,260.00
Hong Kong Securities Clearing Co., Ltd. (香港中央結算有限公司)	17,425,056.00	RMB-dominated ordinary shares	17,425,056.00
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)	15,276,053.00	RMB-dominated ordinary shares	15,276,053.00
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)	6,838,037.00	RMB-dominated ordinary shares	6,838,037.00
Tianjin Guorong Business Information Co., Ltd. (天津國榮商務信息諮詢有限公司)	6,555,504.00	RMB-dominated ordinary shares	6,555,504.00
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)	5,324,840.00	RMB-dominated ordinary shares	5,324,840.00
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)	4,429,800.00	RMB-dominated ordinary shares	4,429,800.00
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)	4,111,272.00	RMB-dominated ordinary shares	4,111,272.00
HAO HONG	3,567,175.00	RMB-dominated ordinary shares	3,567,175.00

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

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

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

Margin trading and short selling by top ten shareholders (if any)

Tianjin Guorong Business Information Co., Ltd. held 6,555,504 shares through credit securities accounts.

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 Reporting Period		The outstanding shares of refinancing's securities lending business at the beginning of the Reporting Period		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		Percentage of the total		Percentage of the total		Percentage of the total	
	Number of shares	issued share capital	Number of shares	issued share capital	Number of shares	issued share capital	Number of shares	issued 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)	7,140,697.00	1.93%	150,700.00	0.04%	6,838,037.00	1.85%	202,700.00	0.05%
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)	4,087,968.00	1.11%	12,900.00	0.00%	4,111,272.00	1.11%	8,000.00	0.00%

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

III. OTHER SIGNIFICANT EVENTS

☒ Applicable ☐ Not Applicable

On 29 February 2024, the Company held the 2024 second extraordinary general meeting, the 2024 second A shares class meeting and the 2024 second H shares class meeting, 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 shares repurchase will be no less than RMB600 million (inclusive) and no more than RMB1.2 billion (inclusive). The price of the A shares repurchase will be no more than RMB157 per share. For the details and progress of the repurchase, please refer to the relevant announcements published on Securities Times, China Securities Journal and the website of Juchao Information (<http://www.cninfo.com.cn>) and HKEXnews (<https://www.hkexnews.hk/index.htm>).

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statement

1. Consolidated Balance Sheet

Prepared by: Asymchem Laboratories (Tianjin) Co., Ltd.
31 March 2024

Unit: RMB

Item	Closing balances	Opening balances
Current Assets:		
Monetary funds	7,547,869,902.78	7,109,986,608.90
Financial assets held for trading	1,434,780,194.84	1,905,778,817.12
Notes receivable	16,961,341.83	12,227,969.83
Accounts receivable	1,712,927,094.77	1,998,761,477.83
Prepayments	96,488,922.02	89,576,913.03
Other receivables	31,738,352.98	27,471,256.49
Inventories	992,330,687.33	945,347,307.48
Contract assets	84,779,533.02	80,828,756.56
Other current assets	192,261,679.35	182,079,364.71
Total current assets	12,110,137,708.92	12,352,058,471.95

Item	Closing balances	Opening balances
Non-current assets:		
Long-term equity investments	276,734,919.03	260,144,136.53
Other equity investments	30,286,152.63	30,488,076.47
Other non-current financial assets	156,835,067.46	130,475,559.65
Fixed assets	3,955,312,191.29	3,912,950,846.77
Construction in progress	1,514,642,363.29	1,330,741,548.25
Right-of-use assets	105,392,180.12	114,421,519.64
Intangible assets	461,186,080.46	465,613,272.44
Goodwill	146,183,447.05	146,183,447.05
Long-term prepaid expenses	117,640,552.45	122,388,266.95
Deferred tax assets	250,873,689.10	213,214,992.73
Other non-current assets	716,198,880.74	688,478,514.27
Total non-current assets	7,731,285,523.62	7,415,100,180.75
Total assets	19,841,423,232.54	19,767,158,652.70
Current liabilities:		
Short-term liabilities	12,227,969.83	12,227,969.83
Accounts payable	405,985,586.84	453,620,062.39
Contract liabilities	271,837,549.98	221,204,438.70
Employee benefits payable	151,386,172.53	295,991,935.36
Taxes payable	65,376,069.43	77,179,861.37
Other payables	830,790,744.33	711,851,901.77
Current portion of non-current liabilities	30,444,630.22	28,534,818.41
Other current liabilities	191,941.07	191,941.07
Total current liabilities	1,768,240,664.23	1,800,802,928.90

Item	Closing balances	Opening balances
Non-current liabilities:		
Lease liabilities	100,900,283.01	106,486,053.15
Deferred income	243,299,988.73	232,599,129.19
Deferred tax liabilities	122,023,690.91	117,291,776.31
Total non-current liabilities	466,223,962.65	456,376,958.65
Total liabilities	2,234,464,626.88	2,257,179,887.55
Owners' equity:		
Share capital	369,471,113.00	369,471,533.00
Capital reserve	9,629,204,536.53	9,612,482,375.95
Less: Treasury shares	693,803,120.05	494,010,448.49
Accumulated other comprehensive income	23,171,684.19	22,879,593.24
Surplus reserve	208,970,876.28	208,970,876.28
Retained earnings	8,041,893,839.41	7,759,922,411.36
Total equity attributable to owners of the parent company	17,578,908,929.36	17,479,716,341.34
Non-controlling interests	28,049,676.30	30,262,423.81
Total owners' equity	17,606,958,605.66	17,509,978,765.15
Total liabilities and owners' equity	19,841,423,232.54	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

Item	Unit: RMB	
	Amount for the Reporting Period	Amount for previous period
I. Total operating revenue	1,399,808,311.93	2,249,034,497.62
Of which: Operating revenue	1,399,808,311.93	2,249,034,497.62
II. Total operating costs	1,139,986,870.77	1,567,490,174.52
Of which: Operating cost	790,599,376.80	1,160,393,685.09
Tax and surcharges	41,026,694.52	8,641,460.93
Selling expenses	44,621,679.61	33,816,085.13
Administrative expenses	172,604,873.99	165,671,257.94
R&D expenses	169,442,435.66	162,096,744.48
Finance costs	(78,308,189.81)	36,870,940.95
Of which: Interest expense	572,586.18	341,264.16
Interest income	62,399,732.95	26,776,580.34
Add: Other income	17,044,519.37	16,789,852.74
Investment income (loss is represented by “-”)	9,071,121.62	600,226.94
Of which: Gains from investment in associates and joint ventures	(325,616.24)	1,215,101.84
Gains from change in fair value (loss is represented by “-”)	7,223,540.55	(719,098.82)
Impairment loss of credit (loss is represented by “-”)	1,528,074.92	11,733,332.96
III. Operational profit (loss is represented by “-”)	294,688,697.62	709,948,636.92
Add: Non-operating income	288,870.17	4,044.51
Less: Non-operating expense	313,881.40	252,777.84
IV. Total profit (total loss is represented by “-”)	294,663,686.39	709,699,903.59
Less: Income tax expense	15,134,492.12	81,809,520.05

Item	Amount for the Reporting Period	Amount for previous period
V. Net profit (net loss is represented by “-”)	279,529,194.27	627,890,383.54
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	279,529,194.27	627,890,383.54
(II) Classified by ownership of equity		
1. Net profit attributable to the shareholders of the parent (net loss is represented by “-”)	281,970,252.06	630,346,004.43
2. Non-controlling interests (net loss is represented by “-”)	(2,441,057.79)	(2,455,620.89)
VI. Other comprehensive income, net of tax	292,090.95	(5,127,033.52)
Other comprehensive income attributable to the owners of the parent, net of tax	292,090.95	(5,127,033.52)
(I) Other comprehensive income not to be reclassified to profit or loss	—	—
1. Changes in fair value of other investments in equity instruments	—	—
(II) Other comprehensive income to be reclassified to profit or loss	292,090.95	(5,127,033.52)
1. Exchange differences on translation of foreign currency financial statements	292,090.95	(5,127,033.52)
VII. Total comprehensive income	279,821,285.22	622,763,350.02
(I) Total comprehensive income attributable to the owners of the parent company	282,262,343.01	625,218,970.91
(II) Total comprehensive income attributable to non-controlling shareholders	(2,441,057.79)	(2,455,620.89)
VIII. Earnings per share:		
(I) Basic earnings per share	0.76	1.72
(II) Diluted earnings per share	0.76	1.72

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

Legal representative:
HAO HONG

Accounting chief:
Zhang Da

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

3. Consolidated Statement of Cash Flows

Unit: RMB

Item	Amount for the Reporting Period	Amount for previous period
I. Cash flow from operating activities:		
Received from the sales of goods and the rendering of services	1,742,474,951.54	2,755,212,399.12
Receipts of tax and surcharges refunds	70,123,818.25	77,426,684.00
Cash received relating to other operating activities	61,212,202.01	28,550,708.73
Sub-total of cash inflows from operating activities	1,873,810,971.80	2,861,189,791.85
Cash paid to the purchase of goods and services	486,389,134.30	638,798,212.57
Cash paid to and for employees	718,409,825.61	747,054,838.83
Payments of all types of taxes	102,540,296.51	104,880,051.66
Cash payments relating to other operating activities	75,805,241.02	66,931,425.13
Sub-total of cash outflows from operating activities	1,383,144,497.44	1,557,664,528.19
Net cash flow from operating activities	490,666,474.36	1,303,525,263.66
II. Cash flow from investing activities:		
Cash received from investment recovery	3,338,500,000.00	8,368,856,153.32
Cash received from returns on investments	33,380,385.72	29,288,745.77
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	—	—
Net cash received from disposals of subsidiaries and other operating units	—	—
Cash received relating to other investing activities	1,509,194.86	1,683,918.99
Sub-total of cash inflows from investing activities	3,373,389,580.58	8,399,828,818.08
Cash paid to acquire fixed assets, intangible assets and other long-term assets	319,383,797.98	305,476,465.63
Cash paid for investments	3,322,741,909.19	8,421,570,566.30
Net cash paid for acquisition of subsidiaries and other operating units	—	—
Cash payments relating to other investing activities	15,867,000.00	—
Sub-total of cash outflows from investing activities	3,657,992,707.17	8,727,047,031.93
Net cash flow from investing activities	(284,603,126.59)	(327,218,213.85)

Item	Amount for the Reporting Period	Amount for previous period
III. Cash flow from financing activities:		
Cash received from capital contribution	—	—
Cash received from borrowings	—	—
Sub-total of cash inflows from financing activities	—	—
Cash payments for debts settlement	—	—
Cash payments for distribution of dividends, profits, or interest expenses	—	—
Cash payments relating to other financing activities	218,690,011.21	—
Sub-total of cash outflows from financing activities	218,690,011.21	—
Net cash flow from financing activities	(218,690,011.21)	—
IV. Effect of foreign exchange rate changes on cash and cash equivalents	15,685,123.62	(15,286,791.15)
V. Net increase in cash and cash equivalents	3,058,460.18	961,020,258.66
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	4,774,669,819.21	5,379,198,112.41

(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 March 2024

Unit: RMB'000

	First quarter of 2024	First quarter of 2023
Revenue	1,363,547	2,245,904
Cost of sales	(790,599)	(1,160,394)
Gross profit	572,948	1,085,510
Other income and gains	113,588	52,496
Selling and distribution expenses	(44,622)	(33,816)
Administrative expenses	(177,453)	(171,287)
Research and development expenses	(169,442)	(162,097)
Net impairment losses on financial and contract assets	1,528	11,733
Other expenses	(995)	(72,978)
Finance costs	(573)	(1,076)
Share of (loss)/profit of associate	(315)	1,215
Profit before tax	294,664	709,700
Income tax expense	(15,134)	(81,810)
Profit for the period	279,530	627,890
Attributable to:		
Owners of the parent	281,971	630,346
Non-controlling interests	(2,441)	(2,456)
	279,530	627,890
Earnings per share attributable to ordinary equity holders of the parent		
Basic (expressed in RMB per share)	0.76	1.72
Diluted (expressed in RMB per share)	0.76	1.72

Consolidated Statements of Comprehensive Income
January to March 2024

Unit: RMB'000

	First quarter of 2024	First quarter of 2023
Profit for the period	<u>279,530</u>	<u>627,890</u>
Other comprehensive income		
Exchange differences on translation of foreign operations	<u>292</u>	<u>(5,127)</u>
Other comprehensive loss for the period (net of tax)	<u>292</u>	<u>(5,127)</u>
Total comprehensive income for the period	<u>279,822</u>	<u>622,763</u>
Attributable to:		
Owners of the parent	<u>282,263</u>	<u>625,219</u>
Non-controlling interests	<u>(2,441)</u>	<u>(2,456)</u>
	<u>279,822</u>	<u>622,763</u>

Consolidated Statement of Financial Position

31 March 2024

Unit: RMB'000

	31 March 2024	31 December 2023
Non-current assets		
Property, plant and equipment	5,587,595	5,366,081
Right-of-use assets	514,206	526,467
Goodwill	146,183	146,183
Other intangible assets	52,372	53,568
Deferred tax assets	250,874	213,215
Investments in associates	276,735	260,144
Prepayments, deposits and other receivables	716,199	688,479
Financial assets at fair value through profit or loss	156,835	130,476
Equity investments at fair value through other comprehensive income	30,286	30,488
Total non-current assets	7,731,285	7,415,101
Current assets		
Inventories	992,331	945,347
Trade receivables	1,729,888	2,010,989
Contract assets	84,780	80,829
Prepayments, deposits and other receivables	306,979	296,573
Tax recoverable	13,510	2,554
Financial assets at fair value through profit or loss	1,434,780	1,905,779
Cash and bank balances	7,547,870	7,109,987
Total current assets	12,110,138	12,352,058

	31 March 2024	31 December 2023
Current liabilities		
Trade payables	405,986	452,365
Other payables and accruals	1,288,073	1,275,184
Interest-bearing bank and other borrowings	12,228	12,228
Lease liabilities	30,445	28,535
Tax payable	30,885	31,235
Amounts due to related parties	625	1,256
Total current liabilities	1,768,242	1,800,803
Net current assets	10,341,896	10,551,255
Total assets less current liabilities	18,073,181	17,966,356
Non-current liabilities		
Deferred income	243,299	232,599
Lease liabilities	100,900	106,486
Deferred tax liabilities	122,024	117,292
Total non-current liabilities	466,223	456,377
Net assets	17,606,958	17,509,979
Equity		
Equity attributable to owners of the parent		
Share capital	369,471	369,472
Treasury shares	(693,803)	(494,010)
Other reserves	17,903,240	17,604,255
	17,578,908	17,479,717
Non-controlling interests	28,050	30,262
Total equity	17,606,958	17,509,979

Consolidated Statement of Cash Flows

January to March 2024

Unit: RMB'000

	First quarter of 2024	First quarter of 2023
Cash flows from operating activities		
Profit before tax	294,664	709,700
Adjustments for:		
Finance costs	573	1,076
Share of (profit)/loss of associates	315	(1,215)
Interest income	(62,400)	(18,110)
Investment income	(16,620)	(19,968)
Fair value gains on financial assets/liabilities at fair value through profit or loss	995	21,745
Depreciation of property, plant and equipment	103,908	97,599
Depreciation of right-of-use assets	9,895	4,811
Amortization of other intangible assets	2,352	(398)
Impairment losses on trade receivables and contract assets, net	(1,528)	(11,733)
Equity-settled share option expense	16,985	3,188
	349,139	786,695
Increase in restricted deposits	–	(2,413)
Increase in inventories	(46,984)	402,339
Increase in trade receivables	241,678	(243,844)
(Increase)/decrease in contract assets	(3,951)	(745)
Increase in prepayments, deposits and other receivables	29,718	11,725
Increase in trade payables	(47,010)	471,805
Increase in other payables and accruals	70,616	(17,157)
Cash generated from operations	593,206	1,408,405
Tax paid	(102,540)	(104,880)
Net cash flows from operating activities	490,666	1,303,525

	First quarter of 2024	First quarter of 2023
Cash flows from investing activities		
Interest received	33,380	18,110
Purchases of items of property, plant and equipment and other intangible assets	(319,383)	(305,476)
Acquisition of a subsidiary	–	–
Purchase of investments at fair value through profit or loss	(2,937,943)	(7,895,730)
Proceeds from disposal of investments at fair value through profit or loss	3,338,500	7,517,067
Purchase of time deposits	(384,799)	(494,071)
Proceeds from maturity of time deposits		831,198
(Increase)/decrease in cash deposits	(14,358)	1,684
Net cash flows used in investing activities	(284,603)	(327,218)
Cash flows from financing activities		
Proceeds from issue of shares	–	–
Dividends paid to shareholders	–	–
Interest paid	–	–
Share repurchase payment	(213,367)	–
Principal portion of lease payments	(5,323)	–
Net cash flows from financing activities	(218,690)	–
Net increase in cash and cash equivalents	(12,627)	976,307
Cash and cash equivalents at the beginning of the year	4,771,611	4,418,178
Effect of foreign exchange rate changes, net	15,686	(15,287)
Cash and cash equivalents at the end of the year	4,774,670	5,379,198
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents as stated in the statement of financial position	7,547,870	5,887,170
Less: Term deposits with original maturity of more than three months	(2,749,885)	(494,233)
Pledged for letters of credit and others	(23,315)	(13,739)
Cash and cash equivalents as stated in the statement of cash flows	4,774,670	5,379,198

(IV) Non-IFRS Measures

Item	First quarter of 2024 <i>RMB'000</i> (except percentage)	First quarter of 2023 <i>RMB'000</i> (except percentage)
Net profit attributable to shareholders of the parent	281,970	630,346
Additions:		
Amortization expenses of share-based compensation	16,985	3,188
Gain or loss on exchange rate fluctuations	(34,456)	80,340
Income tax effect	2,621	(12,529)
Adjusted net profit attributable to shareholders of the parent	267,120	701,345
Adjusted net profit margin attributable to shareholders of the parent	19.08%	31.18%

(V) Auditors' Report

Whether this first quarterly report is audited or not

☐ Yes ☒ No

This first quarterly report of the Company is unaudited.