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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE DIRECTORS OF JIANGSU HENGRUI PHARMACEUTICALS CO., LTD.
(Incorporated in the People's Republic of China with limited liability)**

Introduction

We have reviewed the interim financial information set out on pages IA-3 to IA-22, which comprises the condensed consolidated statement of financial position of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) as at March 31, 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes (the “Interim Financial Information”). The Interim Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the document of the Company dated May 15, 2025 (the “Document”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on the Interim Financial Information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE DIRECTORS OF JIANGSU HENGRUI PHARMACEUTICALS CO., LTD. (continued)**
(Incorporated in the People's Republic of China with limited liability)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at December 31, 2024. The comparative information for the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the three months ended March 31, 2024 has not been audited or reviewed.

Ernst & Young
Certified Public Accountants
Hong Kong
May 15, 2025

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

		For the three months ended March 31,	
	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
REVENUE	4	7,205,611	5,997,534
Cost of sales		(1,068,663)	(942,849)
Gross profit		6,136,948	5,054,685
Other income and gains	4	125,862	254,154
Selling and distribution expenses		(1,967,223)	(1,764,256)
Research and development expenses		(1,533,207)	(1,220,127)
Administrative expenses		(646,398)	(654,815)
Other expenses	5	(4,607)	(143,654)
Finance costs		(10,924)	(793)
Share of losses of associates		(24,848)	(22,682)
PROFIT BEFORE TAX	6	2,075,603	1,502,512
Income tax expenses	7	(199,162)	(135,022)
PROFIT FOR THE PERIOD		1,876,441	1,367,490
Attributable to:			
Owners of the parent		1,874,055	1,368,931
Non-controlling interests		2,386	(1,441)
		1,876,441	1,367,490
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT FOR THE PERIOD			
Basic (RMB)		0.30	0.21
Diluted (RMB)		0.30	0.21

	For the three months ended March 31,	
	2025	2024
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
<i>Notes</i>		
PROFIT FOR THE PERIOD	<u>1,876,441</u>	<u>1,367,490</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>2,347</u>	<u>(5,925)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>2,347</u>	<u>(5,925)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD.	<u>1,878,788</u>	<u>1,361,565</u>
Attributable to:		
Owners of the parent	1,876,502	1,362,789
Non-controlling interests	<u>2,286</u>	<u>(1,224)</u>
	<u>1,878,788</u>	<u>1,361,565</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		<u>March 31,</u>	<u>December 31,</u>
	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	7,240,130	7,094,142
Intangible assets		4,752,755	4,556,283
Right-of-use assets		670,072	582,246
Investments in associates		641,506	666,354
Other non-current assets		537,907	479,107
Financial assets at fair value through profit or loss ("FVTPL")	<i>14</i>	1,065,208	1,065,411
Deferred tax assets		415,438	377,174
Total non-current assets		<u>15,323,016</u>	<u>14,820,717</u>
CURRENT ASSETS			
Inventories	<i>11</i>	2,400,980	2,417,118
Trade and bills receivables	<i>12</i>	7,298,492	6,159,470
Prepayments, other receivables and other assets . .	<i>13</i>	2,074,469	1,649,089
Financial assets at FVTPL	<i>14</i>	110,116	273,345
Pledged deposits and restricted cash		10,402	13,430
Cash and bank balances		24,075,306	24,802,475
Total current assets		<u>35,969,765</u>	<u>35,314,927</u>
CURRENT LIABILITIES			
Trade and other payables	<i>15</i>	2,937,716	3,230,864
Income tax payables		262,470	242,938
Contract liabilities		162,694	159,793
Total current liabilities		<u>3,362,880</u>	<u>3,633,595</u>
NET CURRENT ASSETS		<u>32,606,885</u>	<u>31,681,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES .		<u>47,929,901</u>	<u>46,502,049</u>

		<u>March 31,</u>	<u>December 31,</u>
	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
NON-CURRENT LIABILITIES			
Lease liabilities		62,714	69,036
Deferred income		216,370	225,650
Deferred tax liabilities		101,049	117,112
Total non-current liabilities		<u>380,133</u>	<u>411,798</u>
Net assets		<u>47,549,768</u>	<u>46,090,251</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	6,379,002	6,379,002
Treasury shares	16	(1,303,731)	(1,228,624)
Reserves		<u>41,911,788</u>	<u>40,369,484</u>
		<u>46,987,059</u>	<u>45,519,862</u>
Non-controlling interests		<u>562,709</u>	<u>570,389</u>
Total equity		<u>47,549,768</u>	<u>46,090,251</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2025

	Attributable to owners of the parent						
	Share capital	Treasury shares	Share premium	Other reserves	Surplus reserve	Retained profits	Total
	RMB'000 (note 16)	RMB'000 (note 16)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025 (audited)	6,379,002	(1,228,624)	2,626,748	578,295	3,298,912	33,865,529	45,519,862
Profit for the period	-	-	-	-	-	1,874,055	1,874,055
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	-	-	-	2,447	-	-	2,447
Total comprehensive income for the period	-	-	-	2,447	-	1,874,055	1,876,502
Impact of change of interests in certain subsidiary	-	-	-	(400,618)	-	-	(400,618)
Repurchase of shares under A share stock ownership schemes	-	(75,107)	-	-	-	-	(75,107)
Recognition of equity-settled share-based payments	-	-	-	66,420	-	-	66,420
At March 31, 2025 (unaudited)	6,379,002	(1,303,731)	2,626,748	246,544	3,298,912	35,739,584	46,987,059
						562,709	47,549,768

For the three months ended March 31, 2024

	Attributable to owners of the parent						
	Share capital	Treasury shares	Share premium	Other reserves	Surplus reserve	Retained profits	Total
	RMB'000 (note 16)	RMB'000 (note 16)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024 (audited)	6,379,002	(1,091,851)	2,638,761	438,201	3,298,912	28,802,770	40,465,795
Profit for the period	-	-	-	-	-	1,368,931	1,368,931
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	-	-	-	(6,142)	-	-	(6,142)
Total comprehensive income for the period	-	-	-	(6,142)	-	1,368,931	1,362,789
Repurchase of shares under A share stock ownership schemes	-	(10,004)	-	-	-	-	(10,004)
Recognition of equity-settled share-based payments.	-	-	-	54,926	-	-	54,926
At March 31, 2024 (unaudited)	6,379,002	(1,101,855)	2,638,761	486,985	3,298,912	30,171,701	41,873,506
						565,850	42,439,356

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the three months ended March 31,	
	Notes	2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		2,075,603	1,502,512
Adjustments for:			
Finance costs		10,924	793
Share of losses of associates		24,848	22,682
Dividends received from financial assets at			
FVTPL	4	(3,922)	(9,010)
Gain on disposal of property, plant and			
equipment.	4/6	(97)	(750)
Depreciation of property, plant and equipment . .	6	192,113	179,036
Amortization of intangible assets	6	21,712	14,257
Equity-settled share-based payment expense . . .	6	66,697	54,709
Impairment loss recognized/(reversed) on non-			
financial assets	5/6	1,396	(110)
Depreciation of right-of-use assets	6	12,610	7,448
Gain on financial assets at FVTPL	4	(1,751)	(7,338)
Impairment losses under expected credit loss			
model, net of reversal.	5/6	(7,545)	12,976
Net foreign exchange (gain)/loss		(27,045)	13,048
		<u>2,365,543</u>	<u>1,790,253</u>
Increase in trade and bills receivables		(1,815,527)	(1,795,310)
Decrease/(increase) in pledged deposits		1	(960)
Increase in prepayments, other receivables and			
other assets		(306,061)	(446,522)
Decrease in inventories		14,741	40,888
Increase in trade and other payables		536,815	579,688
Increase in contract liabilities		2,901	1,253,397
Increase in deferred income.		(9,281)	—
Cash generated from operations.		<u>789,132</u>	<u>1,421,434</u>
Income tax paid.		<u>(233,957)</u>	<u>(166,835)</u>
Net cash flows from operating activities		<u>555,175</u>	<u>1,254,599</u>

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Notes		
Net cash flows from operating activities	555,175	1,254,599
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from financial assets at		
FVTPL	3,922	9,010
Proceeds from disposal of items of property, plant and equipment	1,569	1,622
Purchase of wealth management products	–	(200,000)
Purchases of items of property, plant and equipment	(386,097)	(237,754)
Purchase of land use right	(97,755)	–
Additions to other intangible assets	(218,180)	(323,268)
Proceeds from disposal of financial assets at		
FVTPL	164,864	–
Net cash flows used in investing activities	(531,677)	(750,390)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for repurchase of shares for A share incentive scheme	(75,107)	(10,004)
Repayment of lease liabilities	(4,974)	(8,131)
Repayment of borrowings from third parties	(170,118)	–
Payments for additional interests in certain subsidiary	(410,861)	–
Net cash flows used in financing activities	(661,060)	(18,135)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(637,562)	486,074
Cash and cash equivalents at beginning of period .	24,239,102	20,271,524
Effect of foreign exchange rate changes, net	29,625	(18,208)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23,631,165	20,739,390
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	23,631,165	20,739,390
Interest receivable	444,141	557,986
Cash and bank balances as stated in the consolidated statements of financial position . . .	24,075,306	21,297,376

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

1.1 Corporate Information

Jiangsu Hengrui Pharmaceutical Co., Ltd. (the “Company”) is a joint stock company with limited liability established in Lianyungang, Jiangsu, People’s Republic of China (the “PRC”) on April 28, 1997, and subsequently listed on the Shanghai Stock Exchange (stock code: 600276) on October 18, 2000. The registered office address of the Company is No. 38 Huanghe Road, Economic and Technological Development Zone, Lianyungang, Jiangsu, the Mainland China.

The Company and its subsidiaries (collectively referred to as the “Group”) was principally engaged in the research and development, manufacture and sale of pharmaceutical products.

1.2 Basis of Preparation

The interim condensed consolidated financial information for the three months ended March 31, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards, and should be read in conjunction with the Group’s consolidated financial statements as set out in the accountants’ report (the “Accountants’ Report”) included in Appendix I to the Company’s documents dated May 15, 2025 (the “Documents”) in connection with the initial public offering of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s Accountants’ Report, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The adoption of the revised standards has had no significant financial effects on the Group’s interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is research and development, manufacture and sale of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the three months ended March 31,	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers.	7,205,611	5,997,534

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Types of goods or services		
Drug sales	6,623,122	5,939,438
Licensing revenue	552,700	2,946
Others	29,789	55,150
Total	7,205,611	5,997,534
Geographical markets		
Mainland China	6,646,001	5,846,131
Other countries/regions	559,610	151,403
Total	7,205,611	5,997,534
Timing of revenue recognition		
At a point in time	7,196,097	5,994,633
Over time	9,514	2,901
Total	7,205,611	5,997,534
	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Other income		
Bank interest income	77,065	167,856
Government grants income*	22,958	49,787
Dividend income from equity investments at FVTPL	3,922	9,010
Total other income	103,945	226,653
Gains		
Foreign exchange gains, net	14,599	–
Gain on financial assets at FVTPL	1,751	7,338
Gain on disposal of items of property, plant and equipment	97	750
Others	5,470	19,413
Total gains	21,917	27,501
Total other income and Gains	125,862	254,154

* The government grants mainly represent subsidies received from the government that relate to both expenses and assets. Government grants are released to profit or loss either over the periods that the expenses for which they are intended to compensate are expensed, or over the expected useful life of the relevant asset, when all attaching conditions and requirements are complied with.

5. OTHER EXPENSES

An analysis of other expenses is as follows:

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Donations	9,050	112,318
Foreign exchange losses, net	—	18,188
Impairment losses under expected credit loss model, net of reversal	(7,545)	12,976
Discount on derecognition of bills receivables	756	32
Impairment loss recognized on non-financial assets, net of reversal	1,396	(110)
Others	950	250
Total other expenses	4,607	143,654

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the three months ended March 31,	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of inventories sold*		1,060,145	921,908
Depreciation of property, plant and equipment		192,113	179,036
Amortization of intangible assets		21,712	14,257
Depreciation of right-of-use assets		12,610	7,448
Gain on disposal of items of property, plant and equipment	4	(97)	(750)
Donations	5	9,050	112,318
Lease payments not included in the measurement of lease liabilities		38,029	—
Gain on financial assets at FVTPL	4	(1,751)	(7,338)
Bank interest income	4	(77,065)	(167,856)
Government grants income	4	(22,958)	(49,787)
Foreign exchange (gains)/losses, net	4/5	(14,599)	18,188
Dividend income from equity investments at FVTPL	4	(3,922)	(9,010)
Discount on derecognition of bills receivables	5	756	32
Impairment losses recognized on non-financial assets, net of reversal	5	1,396	(110)
Impairment losses under expected credit model, net of reversal	5	(7,545)	12,976
Employee benefit expenses			
– Salaries, bonuses, allowances and benefits in kind		2,055,953	1,744,495
– Pension scheme contributions		197,799	174,355
– Equity-settled share-based payments expenses		66,697	54,709
Total employee benefits expenses		2,320,449	1,973,559

* The “Cost of inventories sold” amount includes the following expenses which are also included in the respective total amounts of the items disclosed above

Amortization of intangible assets
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Employee benefit expenses

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the taxable profits determined in accordance with the Enterprise Income Tax Law, which was approved and became effective on January 1, 2008, except for the Company and certain subsidiaries of the Group in Mainland China which are granted tax concession and are taxed at preferential tax rates.

The Company, Suzhou Suncadia Biopharmaceuticals Co., Ltd. (“蘇州盛迪亞生物醫藥有限公司”), Shandong Suncadia Medicine Co., Ltd. (“山東盛迪醫藥有限公司”) and Jiangsu Original Drug Research and Development Co., Ltd. (“江蘇原創藥物研發有限公司”) were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate of 15% from 2023 to 2025.

Chengdu Suncadia Medicine Co., Ltd. (“成都盛迪醫藥有限公司”), Shanghai Senhui Pharmaceutical Co., Ltd. (“上海森輝醫藥有限公司”) and Fujian Shengdi Pharmaceutical Co., Ltd. (“福建盛迪醫藥有限公司”) were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate of 15% from 2024 to 2026.

Shanghai Hengrui Pharmaceuticals Co., Ltd. (“上海恒瑞醫藥有限公司”), Shanghai Shengdi Pharmaceutical Co., Ltd. (“上海盛迪醫藥有限公司”), Tianjin Hengrui Pharmaceutical Co., Ltd. (“天津恒瑞醫藥有限公司”) and Chengdu Xinyue Pharmaceutical Co., Ltd. (“成都新越醫藥有限公司”) were qualified as High and New Technology Enterprises to enjoy a preferential income tax rate from 2022 to 2024. These qualifications are subject to review by the relevant tax authority in the Mainland China for every three years. The renewal of above qualifications for 2025 to 2027 is in process and the management of the Group expects the renewal will be completed before December 31, 2025.

In addition, pursuant to Caishui [2020] No. 31 “Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port (關於海南自由貿易港企業所得稅優惠政策的通知)” and Caishui [2025] No. 3 “Notice on the Continuation of the Implementation of the Preferential Income tax Policies For Enterprises in Hainan Free Trade Port (關於延續實施海南自由貿易港企業所得稅優惠政策的通知)”, as for the subsidiary of the Company, Hainan Hengrui Pharmaceutical Co., Ltd. (“海南恒瑞醫藥有限公司”), which is incorporated in Hainan Free Trade Port and engaged in stipulated encouraged business, are permitted to enjoy a preferential enterprise income tax rate of 15% subject to certain qualification requirements until December 31, 2027.

United States

The subsidiaries incorporated in United States are subject to statutory federal corporate income tax at a rate of 21%. They are also subject to the state income tax which generally ranges from 1% to 10%.

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at March 31, 2025 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the three months ended March 31, 2025. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for most of the jurisdictions in which the Group operates. As such, the Group does not expect to have any material Pillar Two exposure (including current tax) arising in these jurisdictions during the three months ended March 31, 2025.

The income tax expense of the Group for the period is analysed as follows:

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax	253,489	178,736
Deferred income tax	(54,327)	(43,714)
Total	199,162	135,022

8. DIVIDENDS

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Final dividends in respect of the previous period, declared or paid during the period (tax inclusive)	—	—

In March 2025, the Board proposed the cash dividend of RMB1,275,450,000 to holders of the Company's A shares on the relevant record date, which was approved by shareholders of the Company on April 28, 2025.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the expected vested shares under A share stock ownership schemes, and the weighted average number of ordinary shares outstanding (excluding treasury shares) during the period.

The calculation of the diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares arising from A share stock ownership schemes into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	1,874,055	1,368,931

	For the three months ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	6,349,228,672	6,352,118,757
Effect of dilution – potential ordinary shares arising from A share stock ownership schemes	5,090,957	2,049,984
Total	6,354,319,629	6,354,168,741

10. PROPERTY, PLANT AND EQUIPMENT

During the three months ended March 31, 2025, the Group acquired assets at a cost of RMB339,485,000 (the three months ended March 31, 2024: RMB97,629,000).

Assets with a net book value of RMB1,472,000 were disposed of by the Group during the three months ended March 31, 2025 (the three months ended March 31, 2024: RMB872,000), resulting in a net gain on disposal of RMB97,000 (the three months ended March 31, 2024: RMB750,000).

As at March 31, 2025, the Group has not obtained the certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB870,590,000 (December 31, 2024: RMB1,024,689,000). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at March 31, 2025.

11. INVENTORIES

	March 31,	December 31,
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Raw materials	791,680	711,539
Work in progress	501,035	435,842
Finished goods	1,100,383	1,260,530
Contract costs	7,882	9,207
Total	2,400,980	2,417,118

12. TRADE AND BILLS RECEIVABLES

	March 31,	December 31,
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade receivables	4,875,718	4,968,479
Bills receivables	2,468,925	1,244,598
Impairment	(46,151)	(53,607)
Total	7,298,492	6,159,470

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	March 31,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current	6,862,139	5,558,730
Past due within 1 year	435,724	599,744
Past due 1 year to 2 years	464	908
Past due 2 years to 3 years	165	88
Total	<u>7,298,492</u>	<u>6,159,470</u>

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	March 31,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Prepayments and prepaid expenses.	1,605,472	1,188,417
Income tax recoverable.	235,607	239,543
Value-added tax recoverable.	222,154	195,893
Deposit	11,236	25,236
Total	<u>2,074,469</u>	<u>1,649,089</u>

14. FINANCIAL ASSETS AT FVTPL

Current portion

	March 31,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Other unlisted investments, at fair value	95,065	93,161
Listed equity investments, at fair value	15,051	15,274
Wealth management products	–	164,910
Total	<u>110,116</u>	<u>273,345</u>

Non-current portion

	March 31,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Other unlisted investments, at fair value	<u>1,065,208</u>	<u>1,065,411</u>

15. TRADE AND OTHER PAYABLES

	March 31,	December 31,
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade and bills payables	1,840,504	1,517,333
Considerations received from employees under A share stock ownership schemes	558,827	558,827
Other tax payables	176,729	184,056
Other payables	159,079	319,604
Payables relating to purchases of items of property, plant and equipment	156,621	449,926
Lease liabilities	45,956	41,126
Borrowings from third parties.	–	159,992
Total	2,937,716	3,230,864

An ageing analysis of the trade and bills payables of the Group at the end of the reporting period, based on the invoice date, is as follows:

	March 31,	December 31,
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year.	1,797,970	1,461,317
1 to 2 years.	22,558	38,284
2 to 3 years.	12,488	11,574
Over 3 years	7,488	6,158
Total	1,840,504	1,517,333

16. SHARE CAPITAL/TREASURY SHARES

Share Capital

	March 31,	December 31,
	2025	2024
	Number of shares (Unaudited)	Number of shares (Audited)
Issued and fully paid:		
6,379,002,274 ordinary shares of RMB1.00 each (December 31, 2024: 6,379,002,274 shares of RMB1.00 each)	6,379,002,274	6,379,002,274

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At December 31, 2024 (audited) and March 31, 2025 (unaudited).	6,379,002,274	6,379,002

Treasury Shares

A summary of movements in the Company's treasury shares is as follows:

	Number of shares	Treasury Shares RMB'000
At January 1, 2024 (audited)	26,883,517	1,091,851
Repurchase of shares under A shares stock ownership schemes.	239,555	10,004
At March 31, 2024 (unaudited).	27,123,072	1,101,855
At January 1, 2025 (audited)	29,541,002	1,228,624
Repurchase of shares under A shares stock ownership schemes.	1,672,600	75,107
At March 31, 2025 (unaudited).	31,213,602	1,303,731

17. COMMITMENTS

As at March 31, 2025, the Group had contractual commitments for the purchase of items of property, plant and equipment with an aggregate amount of RMB313,526,000 (December 31, 2024: RMB372,609,000).

18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<i>Sales of products:</i>		
Associates.	13,739	14,936
Controlled by a close family member of a director. . . .	614	–
Total	14,353	14,936
<i>Rendering of services:</i>		
Associates.	2,901	2,901
Controlled by a director	440	–
Controlled by a close family member of a director. . . .	255	113
Total	3,596	3,014
	For the three months ended March 31,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<i>Purchases of products:</i>		
Controlled by a close family member of a director. . . .	–	1,737
<i>Purchases of services:</i>		
Associates.	6,235	2,485
Controlled by a close family member of a director. . . .	353	3,599
Total	6,588	6,084

(b) Outstanding balances with related parties:

	March 31,	December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts due from related parties – trade in nature		
Associates	68,804	65,255
Controlled by a close family member of a director	5,029	5,097
Controlled by a director	–	1,740
Total	73,833	72,092
Amounts due to related parties – trade in nature		
Associates	2,959	13
Controlled by a close family member of a director	1,800	3,894
Total	4,759	3,907

The Group has assessed the expected loss rate for amounts due from the related parties by considering the financial position and credit history of the related party and assessed that the expected credit loss is minimal.

(c) Compensation of key management personnel of the Group

	For the three months ended March 31,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, bonuses, allowances and benefits in kind	4,119	5,858
Pension scheme contributions	50	72
Equity-settled share-based payments	3,312	4,945
Total	7,481	10,875

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, pledged deposits, financial assets included in prepayments, other receivables and other assets, trade and bills receivables, interest-bearing borrowings, and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting period, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a period for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted investments designated at fair value through profit or loss have been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Below is a summary of significant unobservable inputs to the valuation of financial instruments which are measured at fair value as at March 31, 2025 and December 31, 2024:

Financial assets	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Sensitivity of fair value to the input
Investments in unlisted funds at fair value . .	Level 3	Net asset value of underlying investments value*	N/A	N/A
Unlisted equity investments at fair value	Level 3	Back-solve from recent transaction price	Initial public offering (“IPO”) or success probability	5% increase/decrease in probability would result in increase/decrease in fair value by RMB50,314,000 (December 31, 2024: RMB50,314,000)

* The Group has determined that the reported net asset value represents fair value at the end of the reporting period.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

At March 31, 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000 (Unaudited)	RMB’000 (Unaudited)	RMB’000 (Unaudited)	RMB’000 (Unaudited)
Financial assets at FVTPL	110,116	–	1,065,208	1,175,324
Bills receivables	–	2,328,589	–	2,328,589
Total	110,116	2,328,589	1,065,208	3,503,913

At December 31, 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000 (Audited)	RMB’000 (Audited)	RMB’000 (Audited)	RMB’000 (Audited)
Financial assets at FVTPL	108,435	164,910	1,065,411	1,338,756
Bills receivables	–	1,094,725	–	1,094,725
Total	108,435	1,259,635	1,065,411	2,433,481

Financial instruments in Level 3

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

20. EVENT AFTER MARCH 31, 2025

The Group had no significant events subsequent to March 31, 2025.