

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*



廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

*(a joint stock company with limited liability established in the People's Republic of China)*

(H Share Stock Code: 0874)

## 2020 FIRST QUARTERLY REPORT

### 1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee (the “**Supervisory Committee**”) of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”) and its directors, supervisors and senior management collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this quarterly report and confirm that there are no false information, misleading statements or material omissions in this quarterly report.
- 1.2 The directors of the Company attended the 32nd meeting of the seventh session of the Board to consider the quarterly report, among whom, Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr Wong Hin Wing and Ms. Wang Weihong, all being the independent non-executive directors, attended the meeting by means of video communication.
- 1.3 The financial reports of the Company and its subsidiaries (collectively, the “**Group**”) and the Company for the first quarter ended 31 March 2020 (the “**Reporting Period**”) are prepared in accordance with the China Accounting Standards for Business Enterprises, which are unaudited.
- 1.4 Mr. Li Chuyuan (chairperson of the Board), Mr. Li Hong (executive director and general manager) and Ms. Yao Zhizhi (deputy director of Finance and the head of finance department) declared that they warranted that the financial reports contained in this quarterly report were true, accurate and complete.
- 1.5 This quarterly report is prepared in both English and Chinese. In the event of discrepancy, the Chinese version shall prevail.

## 2. BASIC INFORMATION ON THE COMPANY

### 2.1 Principal financial data

Items	<b>As at the end of the Reporting Period (Unaudited)</b>	As at the end of last year (Audited)	Increase/ (Decrease) as compared with the end of last year (%)
Total assets ( <i>RMB'000</i> )	<b>56,595,905</b>	56,893,659	(0.52)
Net assets attributable to the shareholders of the Company ( <i>RMB'000</i> )	<b>25,374,385</b>	24,184,797	4.92
Equity per share attributable to the shareholders of the Company ( <i>RMB</i> )	<b>15.61</b>	14.88	4.92
Items	<b>1 January 2020 – 31 March 2020 (Unaudited)</b>	1 January 2019 – 31 March 2019 (Unaudited)	Increase/ (Decrease) as compared with the corresponding period of 2019 (%)
Net cash flow from operating activities ( <i>RMB'000</i> )	<b>(3,407,041)</b>	(2,798,689)	(21.74)
Net cash flow from operating activities per share ( <i>RMB</i> )	<b>(2.10)</b>	(1.72)	(21.74)

<b>Items</b>	<b>1 January 2020 – 31 March 2020 (Unaudited)</b>	1 January 2019 – 31 March 2019 (Unaudited)	Increase/ (Decrease) as compared with the corresponding period of 2019 (%)
Operating income ( <i>RMB'000</i> )	<b>16,984,606</b>	18,055,312	(5.93)
Net profit attributable to the shareholders of the Company ( <i>RMB'000</i> )	<b>1,183,863</b>	1,406,843	(15.85)
Net profit attributable to the shareholders of the Company after deducting non-recurring items ( <i>RMB'000</i> )	<b>1,195,415</b>	1,372,716	(12.92)
Basic earnings per share ( <i>RMB/share</i> )	<b>0.728</b>	0.865	(15.85)
Diluted earnings per share ( <i>RMB/share</i> )	<b>0.728</b>	0.865	(15.85)
Ratio of weighted average return on net assets (%)	<b>4.78</b>	6.28	A decrease of 1.50 percentage points
Ratio of weighted average return on net assets after deducting non-recurring items (%)	<b>4.82</b>	6.13	A decrease of 1.31 percentage points

*Notes:* (1) The above financial data and indicators are computed based on the consolidated financial statements.

(2) During the Reporting Period, affected by factors such as the COVID-19 coronavirus epidemic, the Group's revenue and net profit decreased year on year. It is expected that the uncertainties about the production and operation of the Group caused by the COVID-19 coronavirus epidemic will still exist, and the extent of the impact will depend on the progress of the epidemic prevention and control, the duration and implementation of the prevention and control policies.

(3) Non-recurring items include:

<b>Items (1 January 2020 – 31 March 2020)</b>	<b>Amount</b> <i>(RMB'000)</i>	<b>Notes</b>
Gain/(Loss) on disposal of non-current assets	471	
Government subsidies included in the profit or loss for the current period except for the government subsidies that are closely related to enterprise's normal business and is enjoyed by the Company continuously in quota or by the quantity of unified national standards in accordance with the national policy	22,687	This is the amount of government subsidies received by the Company's subsidiaries which was transferred to non-operating income and other income in the Reporting Period.
Gain/(Loss) on changes in fair value arising from trading financial assets and trading financial liabilities held (excluding the valid hedging business related to normal operating activities of the Company), as well as investment income received from disposal of trading financial assets, trading financial liabilities and other non-current financial assets	(20,045)	
Reverse of provision for impairment of accounts receivable under individual impairment test	109	
Other non-operating income and expenses excluding the above items	(4,274)	
Other profit and loss items that meet the definition of non-recurring gains and losses	(13,262)	
Income tax effect	2,878	
Effect on minority interest	<u>(116)</u>	
<b>Total</b>	<b><u><u>(11,552)</u></u></b>	

## 2.2 The total number of shareholders, the top ten shareholders, the top ten circulation shareholders (or shareholders not subject to selling restriction) of the Company as at the end of the Reporting Period

As at 31 March 2020, the Company had 105,256 shareholders in total, among which, 105,229 shareholders held the Renminbi-denominated ordinary shares (A Shares) and 27 shareholders held the overseas listed foreign shares (H Shares).

Shareholders	Number of shares held as at the end of the Reporting Period (share)	Approximate percentage of the total issued share capital (%)	Number of shares subject to selling restrictions (share)	Number of shares pledged or locked		Nature of Shareholder
				Shares status	Number of shares (share)	
Guangzhou Pharmaceutical Holdings Limited	732,305,103	45.04	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company (“HKSCC”) Nominees Limited	219,765,389	13.52	0	Nil	0	Others
Guangzhou China Life Urban Development Industry Investment Enterprise (Limited Partnership)	73,313,783	4.51	0	Nil	0	Others
Guangzhou State-owned Asset Development Holdings Limited	71,720,700	4.41	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	47,278,008	2.91	0	Nil	0	Others
HKSCC	16,103,753	0.99	0	Nil	0	Others
Central Huijin Investment Limited	15,260,700	0.94	0	Nil	0	Others
Shanghai Yunfeng Xinchuang Equity Investment Center (Limited Partnership)	10,614,859	0.65	0	Nil	0	Others
China AMC – Agricultural Bank – Huaxia China Securities Financial Asset Management Plan	8,795,136	0.54	0	Nil	0	Others
Zhongou AMC – Agricultural Bank – Zhongou China Securities Financial Asset Management Plan	8,680,636	0.53	0	Nil	0	Others

*The top ten shareholders of the Company not subject to selling restrictions*

Shareholders	Number of shares without selling restrictions (share)	Class of shares	Number of shares (share)
Guangzhou Pharmaceutical Holdings Limited	732,305,103	Domestic shares	732,305,103
HKSCC Nominees Limited	219,765,389	H shares	219,765,389
Guangzhou China Life Urban Development Industry Investment Enterprise (Limited Partnership)	73,313,783	Domestic shares	73,313,783
Guangzhou State-owned Asset Development Holdings Limited	71,720,700	Domestic shares	71,720,700
China Securities Finance Corporation Limited	47,278,008	Domestic shares	47,278,008
HKSCC	16,103,753	Domestic shares	16,103,753
Central Huijin Investment Limited	15,260,700	Domestic shares	15,260,700
Shanghai Yunfeng Xinchuang Equity Investment Center (Limited Partnership)	10,614,859	Domestic shares	10,614,859
China AMC – Agricultural Bank – Huaxia China Securities Financial Asset Management Plan	8,795,136	Domestic shares	8,795,136
Zhongou AMC – Agricultural Bank – Zhongou China Securities Financial Asset Management Plan	8,680,636	Domestic shares	8,680,636
Explanation on the connection or parties acting in concert among the above shareholders	(1)	According to the information provided by HKSCC Nominees Limited, the H shares held by it were held on behalf of clients.	
	(2)	The Company was not aware of any connection among the above top ten shareholders, or whether they were parties acting in concert as provided in the “Rules Governing the Disclosure of Change in Shareholders’ Shareholding in Listed Companies”.	
Explanation on shareholder holding preferred shares whose voting rights are restored and the number of shares	Nil		

**2.3 The total number of shareholders holding the preferred shares, the top ten shareholders holding preferred shares and the top ten shareholders holding the preferred shares without selling restrictions of the Company as at the end of the Reporting Period**

Applicable     Not applicable

### 3. MAJOR EVENTS

#### 3.1 Significant changes in major accounting items and financial indicators of the Company's financial statements and reasons for changes

✓ Applicable    □ Not applicable

Items	As at 31 March 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000) (Audited)	Fluctuation (%)	Reasons for fluctuation
Short-term borrowings	8,935,639	5,869,009	52.25	(1) During the Reporting Period, bank borrowings by the subsidiaries of the Company increased due to the material reserve for COVID-19 coronavirus epidemic prevention and payment to suppliers for purchase; (2) during the Reporting Period, Guangzhou Pharmaceuticals Corporation (廣州醫藥有限公司) ("GP Corp."), the holding subsidiary of the Company, replaced the internally entrusted borrowings offset at the consolidation statements level of RMB1 billion with bank borrowings.
Contract liabilities	1,372,871	4,675,362	(70.64)	(1) Advances on sales of Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司), a wholly-owned subsidiary of the Company, increased at the end of last year due to the advance of the Spring Festival and goods were delivered and sold during the Reporting Period, which led to the decrease in the balance of advances on sales; (2) the balance of advances on sales of other subsidiaries of the Company decreased.

<b>Items</b>	<b>As at 31 March 2020 (RMB'000) (Unaudited)</b>	<b>As at 31 December 2019 (RMB'000) (Audited)</b>	<b>Fluctuation (%)</b>	<b>Reasons for fluctuation</b>
Taxes payable	<b>419,122</b>	248,015	68.99	Corporate income tax payable and value-added tax payable of the subsidiaries of the Company increased due to the increase in operating income and total profit during the Reporting Period as compared with the previous quarter.
Other current liabilities	<b>157,919</b>	606,815	(73.98)	Taxes to be written off in the advances from customers within one year of the subsidiaries of the Company decreased.
Long-term borrowings	<b>0</b>	4,500	(100.00)	During the Reporting Period, the subsidiaries of the Company reclassified long-term loans due within one year to non-current liabilities items due within one year.
Other comprehensive income	<b>5,586</b>	(139)	4,120.01	(1) Difference of conversion on currency exchange by the subsidiaries of the Company increased; (2) fair value of the financial assets of the Company as at the end of the Reporting Period increased.



<b>Items</b>	<b>January 2020 - March 2020 (RMB'000) (Unaudited)</b>	<b>January 2019 - March 2019 (RMB'000) (Unaudited)</b>	<b>Fluctuation (%)</b>	<b>Reasons for fluctuation</b>
Financial expenses	<b>(13,907)</b>	38,529	(136.10)	(1) Interest expenses year on year by the subsidiaries of the Company decreased due to the optimization of structure of financing products, enhancement of fund management and reduction of financing costs; (2) interest income of due time deposits year on year by the subsidiaries of the Company increased.
Other income	<b>14,070</b>	25,515	(44.86)	Government grants received by the subsidiaries of the Company decreased on a year-on-year basis.
Investment income	<b>11,666</b>	43,557	(73.22)	(1) Investment income of the long-term equity investment under equity method by the subsidiaries of the Company year on year decreased; (2) difference between the book value of accounts receivable and the consideration was recognized as investment loss during the Reporting Period by GP Corp. due to the issuance of the asset-backed securitization of accounts receivables (ABS) in December 2019, resulting in such item decreased on a year-on-year basis.

<b>Items</b>	<b>January 2020 - March 2020 (RMB'000) (Unaudited)</b>	<b>January 2019 - March 2019 (RMB'000) (Unaudited)</b>	<b>Fluctuation (%)</b>	<b>Reasons for fluctuation</b>
Gains from changes in fair value	<b>(20,045)</b>	12,416	(261.44)	Such item decreased due to the change in the stock market price of Chongqing Pharmaceutical Holding Company Limited, China Everbright Bank Co., Ltd. and other companies held by the Company on a year-on-year basis.
Impairment losses in respect of assets	<b>(1,636)</b>	(1,249)	(30.99)	Loss on decline in value of inventories of the subsidiaries of the Company increased year on year.
Gains on disposal of assets	<b>471</b>	0	/	The subsidiaries of the Company terminated property lease and recognized income based on the New Lease Standards.
Non-operating income	<b>13,566</b>	7,541	79.91	The subsidiaries of the Company recognized compensation of RMB8,544 thousand for relocation during the Reporting Period but no such event in the corresponding period of last year.
Non-operating expenses	<b>9,297</b>	3,569	160.53	During the Reporting Period, public welfare donation expenditure and shutdown loss not attributable to current product costs by the subsidiaries of the Company increased year on year.
Net cash flow from financing activities	<b>3,550,127</b>	1,964,063	80.75	Net bank loans of subsidiaries of the Company increased.

### **3.2 Explanation and analysis on major events and their impact and solutions**

Applicable  Not applicable

According to the overall strategic layout of the Company and in light of the business development needs of GP Corp. and in order to further broaden the Company's overseas financing channels and accelerate the implementation of the Company's internationalization strategy, the Company held the 26th meeting of the seventh session of the Board on 10 September 2019, at which the Resolution in Relation to Authorizing the Management of the Company to Initiate the Relevant Preparatory Works for the Spin-off and Overseas Listing of a Subsidiary on The Stock Exchange of Hong Kong Limited was considered and approved. The Board authorized the management of the Company to initiate the preliminary preparation works for the spin-off and overseas listing of GP Corp. on The Stock Exchange of Hong Kong Limited. For details, please refer to the announcement of the Company dated 10 September 2019 published in Shanghai Securities News (上海證券報), Securities Times (證券時報), China Securities Journal (中國證券報), Securities Daily (證券日報) and on the websites of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, respectively.

During the Reporting Period, the preliminary preparation works for the spin-off and overseas listing of GP Corp. advanced in an orderly manner.

### **3.3 Performance of the overdue undertakings which has not been fulfilled during the Reporting Period**

Applicable  Not applicable

### **3.4 Warning and explanation for negative impact on profit in respect of the beginning of 2020 up to the next reporting period, or significant profit fluctuation in comparison to the corresponding period of 2019**

Applicable  Not applicable

### **3.5 Explanations on the changes in scope of consolidation as compared with the most recent financial report**

Applicable  Not applicable

During the Reporting Period, there had been an increase of two companies in the scope of consolidation:

3.5.1 In February 2020, Hunan Guangyao Hengsheng Pharmaceutical Co., Ltd., an indirect holding subsidiary of the Company, established Hunan Guangyao Hengsheng Pharmaceutical Co., Ltd. Guangyao Hengsheng Xindian Pharmacy as a branch office.

3.5.2 In February 2020, Guangzhou Baiyunshan Medical Instrument Investment Company ("Medical Instrument Investment Company"), a wholly-owned subsidiary of the Company, established Guangzhou Baiyunshan Yihu Health and Technology Company Limited, the registered capital of which is RMB5 million and the proportion of the capital contributed by Medical Instrument Investment Company represented 60% thereof.

## 4. APPENDIX

### 4.1 Financial Report

#### *Consolidated Balance Sheet*

*As at 31 March 2020*

<b>Items</b>	<b>31 March 2020</b> <i>(RMB)</i>	31 December 2019 <i>(RMB)</i>
<b>Current assets:</b>		
Cash at bank and on hand	<b>18,041,384,617.56</b>	18,469,618,237.41
Settlement provisions	–	–
Funds lent	–	–
Financial assets held for trading	–	–
Derivative financial assets	–	–
Notes receivable	<b>1,630,488,666.54</b>	1,526,081,541.94
Accounts receivable	<b>12,848,967,293.20</b>	12,555,024,519.58
Accounts receivable financing	<b>1,878,552,431.25</b>	1,515,914,114.01
Advances to suppliers	<b>815,110,446.88</b>	673,352,793.02
Premiums receivable	–	–
Cession insurance premiums receivable	–	–
Provision for insurance contracts	–	–
Other receivables	<b>1,133,505,696.49</b>	1,173,360,042.04
Including: Interest receivable	–	1,666,666.70
Dividend receivable	<b>266,706,053.45</b>	316,706,053.45
Financial assets purchased under resale agreements	–	–
Inventories	<b>8,740,562,745.51</b>	9,490,040,264.05
Contract assets	–	–
Classified as assets held for sale	–	–
Current portion of non-current assets	–	–
Other current assets	<b>537,313,908.20</b>	578,841,623.65
<b>Total current assets</b>	<b><u>45,625,885,805.63</u></b>	<u>45,982,233,135.70</u>

Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Non-currents assets:</b>		
Entrusted loans and advances	–	–
Debt investment	–	–
Other debt investment	–	–
Long-term receivables	–	–
Long-term equity investment	1,624,944,796.95	1,599,025,192.41
Other equity instrument investment	83,793,723.12	81,977,960.04
Other non-current financial assets	242,424,738.28	262,469,919.10
Investments properties	215,899,194.66	218,199,149.16
Fixed assets	2,858,282,072.65	2,923,584,939.66
Construction in progress	767,501,339.73	667,402,454.68
Bearer biological assets	3,415,942.50	3,503,295.00
Oil and gas assets	–	–
Right-of-use assets	876,926,132.58	842,077,052.31
Intangible assets	2,472,011,683.61	2,485,288,578.20
Development expenditure	2,509,460.80	2,011,139.26
Goodwill	825,573,066.90	825,573,066.90
Long-term prepaid expenses	111,367,795.04	115,785,234.75
Deferred tax assets	602,146,849.28	594,992,161.76
Other non-current assets	283,222,495.80	289,535,847.27
<b>Total non-current assets</b>	<b><u>10,970,019,291.90</u></b>	<b><u>10,911,425,990.50</u></b>
<b>Total Assets</b>	<b><u>56,595,905,097.53</u></b>	<b><u>56,893,659,126.20</u></b>

Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Current liabilities:</b>		
Short-term borrowings	8,935,639,178.33	5,869,008,916.96
Borrowings from central banks	-	-
Deposits funds	-	-
Financial liabilities held for trading	-	-
Derivative financial liabilities	-	-
Notes payable	2,813,566,390.38	3,982,425,654.37
Accounts payable	9,054,896,163.90	9,698,952,240.46
Advances from customers	-	-
Contract liabilities	1,372,871,370.52	4,675,361,799.46
Financial assets sold under repurchase agreements	-	-
Deposits from customers and interbank	-	-
Funds received as agent of stock exchange	-	-
Funds received as stock underwrite	-	-
Employee benefits payable	626,846,562.82	839,640,308.29
Taxes payable	419,122,336.38	248,014,970.03
Other payables	4,193,262,880.99	3,227,385,632.70
Including: Interest payable	24,821,922.03	34,840,834.22
Dividends payable	47,933,025.07	47,933,025.07
Handling charges and commissions payable	-	-
Cession insurance premiums payable	-	-
Liabilities held for sales	-	-
Current portion of non-current liabilities	247,566,247.59	229,361,467.97
Other current liabilities	157,919,254.69	606,814,819.73
<b>Total current liabilities</b>	<b><u>27,821,690,385.60</u></b>	<b><u>29,376,965,809.97</u></b>
<b>Non-current liabilities:</b>		
Insurance contract reserve	-	-
Long-term borrowings	-	4,500,000.00
Bonds payable	-	-
Including: Preferred stock	-	-
Perpetual bond	-	-
Lease liabilities	563,473,797.95	546,994,554.21
Long-term payables	25,303,141.94	25,229,042.00
Long-term employee benefits payable	328,641.99	329,428.98
Provisions	52,913,611.83	53,205,872.32
Deferred income	565,201,117.68	575,837,179.25
Deferred tax liabilities	272,172,722.10	266,908,733.88
Other non-current liabilities	53,805,935.18	54,201,557.40
<b>Total non-current liabilities</b>	<b><u>1,533,198,968.67</u></b>	<b><u>1,527,206,368.04</u></b>
<b>Total Liabilities</b>	<b><u>29,354,889,354.27</u></b>	<b><u>30,904,172,178.01</u></b>

Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Shareholders' equity:</b>		
Share capital	1,625,790,949.00	1,625,790,949.00
Other equity instruments	-	-
Including: Preferred stock	-	-
Perpetual bond	-	-
Capital surplus	9,865,084,049.39	9,865,084,049.39
Less: Treasury shares	-	-
Other comprehensive income	5,586,231.05	(138,960.56)
Special reserve	-	-
Surplus reserve	1,526,241,180.49	1,526,241,180.49
General risk provision	-	-
Undistributed profits	<u>12,351,682,888.02</u>	<u>11,167,819,445.53</u>
<b>Total equity attributable to shareholders of the parent company</b>	<b>25,374,385,297.95</b>	24,184,796,663.85
Minority interest	<u>1,866,630,445.31</u>	<u>1,804,690,284.34</u>
<b>Total Shareholders' Equity</b>	<b><u>27,241,015,743.26</u></b>	<b><u>25,989,486,948.19</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>56,595,905,097.53</u></b>	<b><u>56,893,659,126.20</u></b>

*Legal Representative:*      *Manager of the Financial Work:*      *Manager of Finance Department:*  
**Mr. Li Chuyuan**                      **Mr. Li Hong**                                      **Ms. Yao Zhizhi**

**Parent Company Balance Sheet**  
As at 31 March 2020

<b>Items</b>	<b>31 March 2020</b> <i>(RMB)</i>	31 December 2019 <i>(RMB)</i>
<b>Current assets:</b>		
Cash at bank and on hand	<b>6,302,367,364.21</b>	6,321,162,972.77
Financial assets held for trading	–	–
Derivative financial assets	–	–
Notes receivable	<b>565,672,180.48</b>	508,495,006.80
Accounts receivable	<b>111,611,087.28</b>	129,979,798.36
Accounts receivable financing	<b>580,878,994.79</b>	222,842,858.68
Advances to suppliers	<b>4,837,603.66</b>	6,128,432.10
Other receivables	<b>1,821,487,431.69</b>	1,934,398,668.36
Including: Interest receivable	–	–
Dividends receivable	<b>413,226,705.58</b>	463,226,705.58
Inventories	<b>450,624,127.51</b>	534,931,211.35
Contract assets	–	–
Classified as assets held for sale	–	–
Current portion of non-current assets	–	–
Other current assets	<b>32,384,818.87</b>	38,676,123.76
<b>Total current assets</b>	<b><u>9,869,863,608.49</u></b>	<u>9,696,615,072.18</u>



Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Non-currents assets:</b>		
Debt investment	–	–
Other debt investment	–	–
Long-term receivables	–	–
Long-term equity investment	<b>10,123,421,542.35</b>	10,089,420,785.24
Other equity instrument investment	<b>83,793,723.12</b>	81,977,960.04
Other non-current financial assets	<b>235,142,051.70</b>	255,009,227.54
Investments properties	<b>203,710,670.37</b>	205,859,204.51
Fixed assets	<b>469,709,075.84</b>	481,357,324.46
Construction in progress	<b>138,937,741.83</b>	125,347,198.87
Bearer biological assets	–	–
Oil and gas assets	–	–
Right-of-use assets	<b>14,125,537.98</b>	14,749,483.54
Intangible assets	<b>1,741,400,094.26</b>	1,744,366,663.50
Development costs	–	–
Goodwill	–	–
Long-term prepaid expenses	<b>1,857,007.98</b>	2,100,502.42
Deferred tax assets	<b>164,155,728.51</b>	161,954,721.70
Other non-current assets	<b>97,433,596.00</b>	97,433,596.00
<b>Total non-current assets</b>	<b><u>13,273,686,769.94</u></b>	<u>13,259,576,667.82</u>
<b>Total assets</b>	<b><u>23,143,550,378.43</u></b>	<u>22,956,191,740.00</u>

Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Current liabilities:</b>		
Short-term borrowings	700,000,000.00	854,431,644.92
Financial liabilities held for trading	-	-
Derivative financial liabilities	-	-
Notes payable	-	-
Accounts payable	293,189,462.27	310,400,672.81
Advances from customers	-	-
Contract liabilities	147,057,565.70	283,563,073.97
Employee benefits payable	57,988,510.28	81,797,031.37
Taxes payable	61,941,935.12	55,153,090.24
Other payables	2,583,560,567.04	2,283,912,927.07
Including: Interests payable	-	-
Dividend payable	673,222.20	673,222.20
Classified as liabilities held for sales	-	-
Current portion of non-current liabilities	4,248,368.29	4,276,809.32
Other current liabilities	24,372,141.62	40,378,119.85
<b>Total current liabilities</b>	<b>3,872,358,550.32</b>	<b>3,913,913,369.55</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	-	-
Debentures payable	-	-
Including: Preferred shares	-	-
Sustainable debts	-	-
Lease liabilities	10,482,528.25	10,822,166.98
Long-term payables	7,876,324.33	7,802,224.39
Long-term employee benefits payable	-	-
Provisions	391,067,987.19	355,119,019.19
Deferred income	67,257,368.04	70,543,622.88
Deferred tax liabilities	12,845,591.38	13,624,660.96
Other non-current liabilities	80,404.51	76,575.18
<b>Total non-current liabilities</b>	<b>489,610,203.70</b>	<b>457,988,269.58</b>
<b>Total Liabilities</b>	<b>4,361,968,754.02</b>	<b>4,371,901,639.13</b>

Items	31 March 2020 (RMB)	31 December 2019 (RMB)
<b>Shareholders' equity:</b>		
Share capital	<b>1,625,790,949.00</b>	1,625,790,949.00
Other equity instruments	-	-
Including: Preferred shares	-	-
Sustainable debts	-	-
Capital surplus	<b>9,820,175,495.89</b>	9,820,175,495.89
Less: Treasury shares	-	-
Other comprehensive Income	<b>(3,090,006.33)</b>	(4,905,769.41)
Special reserves	-	-
Surplus reserves	<b>1,153,632,745.89</b>	1,153,632,745.89
Undistributed profits	<b><u>6,185,072,439.96</u></b>	<u>5,989,596,679.50</u>
<b>Total shareholders' equity</b>	<b><u>18,781,581,624.41</u></b>	<u>18,584,290,100.87</u>
<b>Total liabilities and shareholders' equity</b>	<b><u><u>23,143,550,378.43</u></u></b>	<u><u>22,956,191,740.00</u></u>

*Legal Representative:*      *Manager of the Financial Work:*      *Manager of Finance Department:*  
**Mr. Li Chuyuan**                      **Mr. Li Hong**                                      **Ms. Yao Zhizhi**

## Consolidated Income Statement

1 January-31 March 2020

Items	1 January- 31 March 2020 (RMB)	1 January- 31 March 2019 (RMB)
<b>1. Revenue</b>	<b>16,984,606,405.60</b>	18,055,312,257.27
Including: Income from operations	<b>16,984,606,405.60</b>	18,055,312,257.27
Interest Income	-	-
Premiums earned	-	-
Fee and commission income	-	-
<b>2. Total cost from operations</b>	<b>15,446,658,542.82</b>	16,332,269,459.41
Including: Cost of operations	<b>13,253,995,537.27</b>	13,545,145,809.46
Interest expense	-	-
Fee and commission expense	-	-
Surrenders	-	-
Net claims paid	-	-
Net reserves for insurance contracts	-	-
Policyholder dividends	-	-
Reinsurance expenses	-	-
Taxes and surcharges	<b>87,272,164.31</b>	109,543,651.20
Selling and distribution expenses	<b>1,549,407,696.91</b>	1,910,834,851.75
General and administrative expenses	<b>435,781,333.56</b>	556,761,296.13
Research and development expenses	<b>134,109,257.21</b>	171,455,204.20
Financial expenses	<b>(13,907,446.44)</b>	38,528,646.67
Including: Interest expenses	<b>86,487,689.59</b>	95,565,701.31
Interest income	<b>111,179,127.77</b>	68,918,021.35
Add: Other income	<b>14,069,880.16</b>	25,515,167.92
Investment income (“-” for loss)	<b>11,666,360.58</b>	43,557,067.06
Including: Investment income in associates and joint ventures (“-” for loss)	<b>24,929,535.92</b>	43,529,318.56
Gains on termination of financial assets measured at amortized cost (“-” for loss)	-	-
Exchange gains and losses (“-” for loss)	-	-
Gains on hedging of net exposure (“-” for loss)	-	-
Gains from changes in fair value (“-” for loss)	<b>(20,045,180.82)</b>	12,416,398.67
Impairment losses in respect of credit (“-” for loss)	<b>(26,411,727.47)</b>	(33,487,846.99)
Impairment losses in respect of assets (“-” for loss)	<b>(1,636,036.42)</b>	(1,249,015.40)
Gains from disposal of assets (“-” for loss)	<b>471,006.19</b>	-

Items	1 January- 31 March 2020 (RMB)	1 January- 31 March 2019 (RMB)
<b>3. Operating profit (“-” for loss)</b>	<b><u>1,516,062,165.00</u></b>	<u>1,769,794,569.12</u>
Add: Non-operating income	13,566,292.99	7,540,501.08
Less: Non-operating expenses	9,297,024.00	3,568,561.88
<b>4. Total profit (“-” for loss)</b>	<b><u>1,520,331,433.99</u></b>	<u>1,773,766,508.32</u>
Less: Income tax expense	261,762,490.92	308,601,170.97
<b>5. Net profit (“-” for loss)</b>	<b><u>1,258,568,943.07</u></b>	<u>1,465,165,337.35</u>
(1) Classified by the continuity of operations		
A. Net profit from continuing operations (“-” for loss)	1,258,568,943.07	1,465,165,337.35
B. Net profit from discontinued operations (“-” for loss)	-	-
(2) Classified by ownership of the equity		
A. Net profit attributable to the shareholders of the Company (“-” for loss)	1,183,863,442.49	1,406,843,499.97
B. Minority interests (“-” for loss)	74,705,500.58	58,321,837.38
<b>6. After-tax net income of other comprehensive     income</b>	<b>5,725,191.61</b>	910,116.34
After-tax net income of other comprehensive income attributable to the parent company owner	5,725,191.61	910,116.34
(1) Items will not be classified into profit or loss when satisfied with certain conditions at following accounting period	1,815,763.08	-
A. Changes as a result of remeasurement of net defined benefit plan liability or asset	-	-
B. Portion of items will not be classified into profit or loss when under equity method	-	-
C. Changes in fair value of other debt investment	1,815,763.08	-
D. Changes in fair value of enterprise’s own credit risk	-	-

Items	1 January- 31 March 2020 (RMB)	1 January- 31 March 2019 (RMB)
(2) Items will be classified into profit or loss when satisfied with certain conditions at following accounting period	3,909,428.53	910,116.34
A. Portion of items will be classified into profit or loss when under equity method	-	13,756.82
B. Changes in fair value of other debt investment	-	-
C. Amount of financial assets reclassified into other comprehensive income	-	-
D. Provision for credit impairment of other debt investment	-	-
E. Cash flow hedge reserve	-	-
F. Differences arising from translation of foreign currency financial statements	3,909,428.53	896,359.52
G. Others	-	-
After-tax net income of other comprehensive income attributable to minority shareholders' equity	-	-
<b>7. Total comprehensive income</b>	<b><u>1,264,294,134.68</u></b>	<b><u>1,466,075,453.69</u></b>
(1) Total comprehensive income attributable to the shareholders of the Company	1,189,588,634.10	1,407,753,616.31
(2) Comprehensive income attributable to the shareholders of minority shareholders' equity	74,705,500.58	58,321,837.38
<b>8. Earnings per share</b>		
(1) Basic earnings per share	0.728	0.865
(2) Diluted earnings per share	0.728	0.865

If business combination happened under the same control during the Reporting Period, the combined party recognized the net profit of RMB0 and 0 before combination and the corresponding period last year, collectively.

*Legal Representative:*      *Manager of the Financial Work:*      *Manager of Finance Department:*  
**Mr. Li Chuyuan**              **Mr. Li Hong**                              **Ms. Yao Zhizhi**

*Income Statement of the Parent Company*  
*1 January-31 March 2020*

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
<b>1. Revenue</b>	<b>1,478,529,823.22</b>	1,849,025,960.99
Less: Cost of sales	<b>953,700,951.07</b>	875,699,973.17
Taxes and surcharges	<b>14,402,291.21</b>	20,590,628.78
Selling and distribution expenses	<b>225,957,762.07</b>	319,412,346.72
General and administrative expenses	<b>64,348,245.01</b>	168,663,278.36
Research and development expenses	<b>37,929,834.90</b>	87,189,492.64
Financial expenses	<b>(17,092,881.60)</b>	(8,758,388.22)
Including: Interest expenses	<b>7,380,931.15</b>	8,363,603.78
Interest income	<b>24,543,080.91</b>	17,207,213.02
Add: Other income	<b>5,379,262.33</b>	3,414,350.85
Investment income (“-” for loss)	<b>34,000,757.11</b>	30,557,442.53
Including: Investment income in associates and joint ventures (“-” for loss)	<b>34,000,757.11</b>	30,557,442.53
Gains on termination of financial assets measured at amortized cost (“-” for loss)	-	-
Gains on hedging of net exposure (“-” for loss)	-	-
Gains from changes in fair value (“-” for loss)	<b>(19,867,175.84)</b>	12,271,618.37
Impairment losses in respect of credit (“-” for loss)	<b>70,793.21</b>	1,118,752.18
Impairment losses in respect of assets (“-” for loss)”	<b>2,434,047.44</b>	1,219,182.74
Gains from disposal of assets (“-” for loss)	-	-
<b>2. Operating income (“-” for loss)</b>	<b>221,301,304.81</b>	434,809,976.21
Add: Non-operating income	<b>64,398.84</b>	1,910,924.02
Less: Non-operating expenses	<b>187,496.18</b>	277,698.52
<b>3. Total profit (“-” for loss)</b>	<b>221,178,207.47</b>	436,443,201.71
Less: Income tax expense	<b>25,702,447.01</b>	63,132,331.19
<b>4. Net profit (“-” for loss)</b>	<b>195,475,760.46</b>	373,310,870.52
A. Net profit from continuing operations (“-” for loss)	<b>195,475,760.46</b>	373,310,870.52

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
B. Net profit from discontinued operations (“–” for loss)	–	–
<b>5. Other comprehensive income</b>	<b>1,815,763.08</b>	13,756.82
(1) Items will not be classified into profit or loss when satisfied with certain conditions at following accounting period	<b>1,815,763.08</b>	–
A. Changes as a result of remeasurement of net defined benefit plan liability or asset	–	–
B. Portion of items will not be classified into profit or loss when under equity method	–	–
C. Changes in fair value of other debt investment	<b>1,815,763.08</b>	–
D. Changes in fair value of enterprise’s own credit risk	–	–
(2) Items will be classified into profit or loss when satisfied with certain conditions at following accounting period	–	13,756.82
A. Portion of items will be classified into profit or loss when under equity method	–	13,756.82
B. Changes in fair value of other debt investment	–	–
C. Amount of financial assets reclassified into other comprehensive income	–	–
D. Provision for credit impairment of other debt investment	–	–
E. Cash flow hedge reserve	–	–
F. Differences arising from translation of foreign currency financial statements	–	–
G. Others	–	–
<b>6. Total comprehensive income</b>	<b><u>197,291,523.54</u></b>	<b><u>373,324,627.34</u></b>
<b>7. Earnings per share</b>		
(1) Basic earnings per share	–	–
(2) Diluted earnings per share	–	–

*Legal Representative:*      *Manager of the Financial Work:*      *Manager of Finance Department:*  
**Mr. Li Chuyuan**              **Mr. Li Hong**                              **Ms. Yao Zhizhi**



## Consolidated Cash Flow Statement

1 January-31 March 2020

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	12,570,376,947.71	13,996,955,341.09
Customer deposits and interbank net increase in deposits	-	-
Net increase in borrowings from central banks	-	-
Borrowing funds from other financial institutions net increase	-	-
Receipt of the original insurance contract cash	-	-
Net cash received from reinsurance business	-	-
Net increase in policyholders' deposits and investments	-	-
Charge interest, fees and commissions	-	-
Net increase in placements from banks and the financial institutions	-	-
Net increase in repo operations funds	-	-
Net cash received from customer brokerage deposits	-	-
Refund of taxes and surcharges	1,311,106.35	2,456,721.56
Cash received relating to other operating activities	687,686,113.61	176,403,364.20
<b>Sub-total of cash inflows</b>	<b><u>13,259,374,167.67</u></b>	<b><u>14,175,815,426.85</u></b>
Cash paid for goods and services	13,650,405,246.24	13,501,277,794.53
Net increase in loans and advances to customers	-	-
Central banks and interbank deposits Cash	-	-
Pay the original insurance contract paid in cash	-	-
Net increase in loans to banks and other financial institutions	-	-
Payment of interest, fees and commissions	-	-
Commissions on insurance policies paid	-	-
Cash paid to and on behalf of employees	1,444,195,685.91	1,405,883,789.68
Payments of taxes and surcharges	833,294,649.67	979,140,928.44
Cash paid relating to other operating activities	738,519,360.72	1,088,201,946.52
<b>Sub-total of cash outflows</b>	<b><u>16,666,414,942.54</u></b>	<b><u>16,974,504,459.17</u></b>
<b>Net cash flows from operating activities</b>	<b><u>(3,407,040,774.87)</u></b>	<b><u>(2,798,689,032.32)</u></b>

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	<b>60,400,000.00</b>	40,600,000.00
Cash received from returns on investments	<b>585,916.67</b>	5,175,836.85
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>2,971,857.68</b>	153,326.20
Net cash received from sales of subsidiaries and other business units	-	-
Cash received from other investing activities	<b>889.91</b>	4,000,000.00
<b>Sub-total of cash inflows</b>	<b><u>63,958,664.26</u></b>	<u>49,929,163.05</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<b>154,250,305.74</b>	181,060,237.51
Cash paid to acquire investments	<b>110,000,000.00</b>	27,000,000.00
Net increase in loans	-	-
Net cash paid for acquire subsidiaries and other business units	-	-
Cash paid relating to other investing activities	-	-
<b>Sub-total of cash outflows</b>	<b><u>264,250,305.74</u></b>	<u>208,060,237.51</u>
<b>Net cash flows from investing activities</b>	<b><u>(200,291,641.48)</u></b>	<u>(158,131,074.46)</u>
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions	<b>11,734,660.39</b>	110,200,000.00
Including: Cash received from capital contributions by minority shareholders to subsidiaries	<b>11,734,660.39</b>	110,200,000.00
Cash received from borrowings	<b>4,380,298,290.53</b>	3,248,402,763.22
Cash received relating to other financing activities	<b>1,057,734,884.51</b>	865,903,795.13
<b>Sub-total of cash inflows</b>	<b><u>5,449,767,835.43</u></b>	<u>4,224,506,558.35</u>

<b>Items</b>	<b>1 January - 31 March 2020 (RMB)</b>	<b>1 January - 31 March 2019 (RMB)</b>
Cash repayments of borrowings	<b>1,063,968,273.95</b>	1,472,667,824.28
Cash payments for interest expenses and distribution of dividends or profits	<b>106,258,529.53</b>	102,153,223.95
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	<b>24,534,459.52</b>	373,490.56
Cash payments relating to other financing activities	<b>729,413,621.89</b>	685,622,517.32
<b>Sub-total of cash outflows</b>	<b><u>1,899,640,425.37</u></b>	<u>2,260,443,565.55</u>
<b>Net cash flows from financing activities</b>	<b><u>3,550,127,410.06</u></b>	<u>1,964,062,992.80</u>
<b>4. Effects of foreign exchange rate changes on cash and cash equivalents</b>	<b><u>(33,356.95)</u></b>	<u>(77,822.02)</u>
<b>5. Net increase in cash and cash equivalents</b>	<b>(57,238,363.24)</b>	(992,834,936.00)
Add: Cash and cash equivalents at the beginning of the period	<b><u>16,833,622,508.23</u></b>	<u>15,071,612,198.38</u>
<b>6. Cash and cash equivalents at the end of the period</b>	<b><u>16,776,384,144.99</u></b>	<u>14,078,777,262.38</u>

*Legal Representative:*  
**Mr. Li Chuyuan**

*Manager of the Financial Work:*  
**Mr. Li Hong**

*Manager of Finance Department:*  
**Ms. Yao Zhizhi**

*Cash Flow Statement of the Parent Company*  
*1 January-31 March 2020*

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	706,150,041.46	1,095,151,687.79
Refund of taxes and surcharges	19,259.32	-
Cash received relating to other operating activities	44,024,186.52	76,314,988.82
<b>Sub-total of cash inflows</b>	<b>750,193,487.30</b>	<b>1,171,466,676.61</b>
Cash paid for goods and services	464,638,072.43	673,004,291.97
Cash paid to and on behalf of employees	126,153,660.11	133,152,720.70
Payments of taxes and surcharges	124,582,085.52	170,900,437.45
Cash paid relating to other operating activities	52,911,869.18	72,579,332.49
<b>Sub-total of cash outflows</b>	<b>768,285,687.24</b>	<b>1,049,636,782.61</b>
<b>Net cash flows from operating activities</b>	<b>(18,092,199.94)</b>	<b>121,829,894.00</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	-	-
Cash received from returns on investments	149,999,104.33	148,687,436.86
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	-
Net cash received from sales of subsidiaries and other business units	-	-
Cash received from other investing activities	161,759,400.98	166,046,437.09
<b>Sub-total of cash inflows</b>	<b>311,758,505.31</b>	<b>314,733,873.95</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	44,338,498.90	88,840,745.86
Cash paid to acquire investments	-	455,800,000.00
Net cash paid for acquire subsidiaries and other business units	-	-
Cash paid relating to other investing activities	105,000,000.00	120,000,000.00
<b>Sub-total of cash outflows</b>	<b>149,338,498.90</b>	<b>664,640,745.86</b>
<b>Net cash flows from investing activities</b>	<b>162,420,006.41</b>	<b>(349,906,871.91)</b>

Items	1 January - 31 March 2020 (RMB)	1 January - 31 March 2019 (RMB)
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions	-	-
Cash received from borrowings	-	-
Cash received relating to other financing activities	-	26,994,238.54
<b>Sub-total of cash inflows</b>	<u>-</u>	<u>26,994,238.54</u>
Cash repayments of borrowings	<b>154,431,644.92</b>	-
Cash payments for interest expenses and distribution of dividends or profits	<b>7,196,637.88</b>	8,483,929.00
Cash payments relating to other financing activities	<b>1,495,132.23</b>	22,765,955.94
<b>Sub-total of cash outflows</b>	<u><b>163,123,415.03</b></u>	<u>31,249,884.94</u>
<b>Net cash flows from financing activities</b>	<u><b>(163,123,415.03)</b></u>	<u>(4,255,646.40)</u>
<b>4. Effects of foreign exchange rate changes on cash and cash equivalents</b>	<u>-</u>	<u>-</u>
<b>5. Net increase in cash and cash equivalents</b>	<b>(18,795,608.56)</b>	<b>(232,332,624.31)</b>
Add: Cash and cash equivalents at the beginning of the period	<u><b>6,301,162,971.77</b></u>	<u>6,759,917,523.78</u>
<b>6. Cash and cash equivalents at the end of the period</b>	<u><b>6,282,367,363.21</b></u>	<u>6,527,584,899.47</u>

*Legal Representative:*  
**Mr. Li Chuyuan**

*Manager of the Financial Work:*  
**Mr. Li Hong**

*Manager of Finance Department:*  
**Ms. Yao Zhizhi**

**4.2 The adjustments to relevant items in financial statements for the beginning of the initial implementation year of new Revenue Standards and new Leases Standards**

Applicable  Not applicable

**4.3 Explanation for the adjustments in comparison between the end of 2019 and the initial implementation of new Revenue Standards and new Leases Standards:**

Applicable  Not applicable

**4.4 Audited Report**

Applicable  Not applicable

The Board of  
**Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited**

Guangzhou, the PRC, 28 April 2020

*As at the date of this report, the Board comprises Mr. Li Chuyuan, Ms. Cheng Ning, Mr. Yang Jun, Ms. Liu Juyan, Mr. Li Hong, Mr. Wu Changhai and Mr. Zhang Chunbo as executive directors, and Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.*