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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)

## **ANNOUNCEMENT IN RELATION TO THE ESTIMATED INCREASE IN THE ANNUAL RESULTS OF 2018**

This announcement is made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

The financial figures contained in this announcement are only preliminary data of the Company calculated in accordance with the Chinese Accounting Standards and have not been audited. The specific and accurate financial figures should be those to be disclosed in the audited 2018 annual report of the Company. Investors are advised to pay attention to such investment risk involved.

### **I. ESTIMATED RESULTS FOR THE PERIOD**

#### **(i) Period of the estimated results**

From 1 January 2018 to 31 December 2018.

#### **(ii) Estimated results**

1. Based on preliminary estimation by the finance department of the Company, it is expected that the net profit attributable to shareholders of the Company for 2018 will be approximately between RMB3,250,000,000 and RMB3,900,000,000, which will be increased approximately by an amount between RMB1,188,350,000 and RMB1,838,350,000, representing an increase between 57.64% and 89.17% as compared with the corresponding period of the previous year.

2. The net profit attributable to shareholders of the Company after deducting non-recurring items will be approximately between RMB1,955,000,000 and RMB2,581,000,000, which will be increased approximately by an amount between RMB19,440,000 and RMB645,440,000, representing an increase between 1.00% and 33.35% as compared with the corresponding period of the previous year.

## II. RESULTS FOR THE CORRESPONDING PERIOD OF LAST YEAR

- (i) The net profit attributable to shareholders of the Company is RMB2,061,650,000. The net profit attributable to shareholders of the Company after deducting non-recurring items is RMB1,935,560,000.
- (ii) Earnings per share: RMB1.268.

## III. MAIN REASONS FOR THE ESTIMATED INCREASE IN RESULTS FOR THE PERIOD

### **Influence on non-recurring items:**

- (i) The major asset purchase of 30% equity interest in Guangzhou Pharmaceutical Corporation (“**GP Corp.**”) in cash by the Company was completed in 2018. GP Corp. became an 80%-owned subsidiary of the company and was consolidated into the Company’s accounts thereafter. For the existing shareholding in the acquiree prior to the acquisition date, such shareholding shall be re-measured at fair value on the acquisition date and the difference of RMB825,770,000 between the fair value and the book value was included in the income statement for the year 2018.
- (ii) The acquisition of 48.0465% equity interest in Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd (“**Wang Lao Ji**”) by the Company was completed in 2018. Wang Lao Ji became a subsidiary which is held as to 96.093% by the Company and was consolidated into the Company’s accounts thereafter. Therefore, the income of RMB170,880,000 from equity mergers was included in the income statement for the year 2018.
- (iii) In accordance with the Company’s decision that it has significant influence over Yunnan Hongxiang Yixintang Pharmaceutical (Group) Co., Ltd. (“**Yi Xin Tang**”), the Company re-categorized its shareholding in Yi Xin Tang as “long-term equity investments” instead of “other non-current financial assets” in May 2018. The shareholding is accounted by equity method. The fair value of such investment increased by RMB254,930,000, which was included in “Gains/(Loss) from changes in fair value” in the income statement and resulted in the increase in the total profit for the year 2018.

- (iv) The fair value of the Company's shareholding in C. Q. Pharmaceutical Holdings Co., Ltd decreased as compared with that of the beginning of 2018. The decrease in value of RMB135,860,000 was included in "Gains/(Loss) from changes in fair value" in the income statement and resulted in the decrease in the total profit for the year 2018.

#### **IV. RISK WARNINGS**

There is no substantial uncertainty in respect of the Company which will affect the accuracy of the content in this estimated results.

#### **V. OTHER EXPLANATIONS**

The data set out in this announcement is only preliminary accounting data. The specific and accurate financial data should be those to be disclosed in the audited 2018 annual report of the Company. Investors are advised to pay attention to such investment risks involved.

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

Guangzhou, the PRC, 30 January 2019

*As at the date of this announcement, the Board comprises Mr. Li Chuyuan, Mr. Chen Mao, Ms. Liu Juyan, Ms. Cheng Ning, Mr. Ni Yidong, Mr. Li Hong and Mr. Wu Changhai as executive directors, and Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.*