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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)

2021 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 (“**GYBYS**” or 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 12th meeting of the eighth session of the Board, among whom, Mr. Li Hong (an executive director and general manager), Mr. Wong Hin Wing (an independent non-executive director), and Ms. Wang Weihong (an independent non-executive director) attended the meeting by telephone.
- 1.3 The financial reports of the Company and its subsidiaries (collectively, the “**Group**”), and the Company for the first quarter ended 31 March 2021 (the “**Reporting Period**”) were prepared in accordance with the China Accounting Standards for Business Enterprises, which were 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 that different interpretation occurs, the Chinese version shall prevail.

2. BASIC INFORMATION ON THE COMPANY

2.1 Principal financial data

Items	As at the end of the Reporting Period (Unaudited)	As at the end of last year (Audited)	Increase/ (Decrease) as compared with the end of last year (%)
Total assets (<i>RMB'000</i>)	62,824,652	59,760,063	5.13
Net assets attributable to the shareholders of the Company (<i>RMB'000</i>)	27,769,186	26,144,843	6.21
Equity attributable to the shareholders of the Company per share (<i>RMB</i>)	17.08	16.08	6.21
Items	From the beginning of 2021 to the end of the Reporting Period (January - March) (Unaudited)	The corresponding period of 2020 (January - March) (Unaudited)	Increase/ (Decrease) as compared with the corresponding period of 2020 (%)
Net cash flow from operating activities (<i>RMB'000</i>)	1,681,290	(3,407,041)	149.35
Net cash flow from operating activities per share (<i>RMB</i>)	1.03	(2.10)	149.35

Items	From the beginning of 2021 to the end of the Reporting Period (January - March) (Unaudited)	The corresponding period of 2020 (January - March) (Unaudited)	Increase/ (Decrease) as compared with the corresponding period of 2020 (%)
Income from operations <i>(RMB'000)</i>	20,045,949	16,984,606	18.02
Net profit attributable to the shareholders of the Company <i>(RMB'000)</i>	1,627,420	1,183,863	37.47
Net profit attributable to the shareholders of the Company after deducting non-recurring items <i>(RMB'000)</i>	1,591,729	1,195,415	33.15
Basic earnings per share <i>(RMB/Share)</i>	1.001	0.728	37.47
Diluted earnings per share <i>(RMB/Share)</i>	1.001	0.728	37.47
Ratio of weighted average return on net assets (%)	6.04	4.78	An increase of 1.26 percentage points
Ratio of weighted average return on net assets after deducting non-recurring items (%)	5.90	4.82	An increase of 1.08 percentage points

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

(2) Non-recurring items include:

Items (1 January-31 March 2021)	Amount <i>(RMB'000)</i>	Notes
Gain/(Loss) on disposal of non-current assets	50	
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	43,946	This is the amount of government subsidies received by the Company's subordinate enterprises which was transferred to non-operating income and other income in the Reporting Period.
Except for effective hedging business related to normal business of the Company, profit or loss from change of fair value from financial assets and liabilities held for trading and financial derivative assets and liabilities, and investment income from disposal of financial assets and liabilities held for trading and financial derivative assets and liabilities and other debt investment	(692)	
Write-off provision for impairment of accounts receivable and contract assets under individual impairment test	260	
Other non-operating income and expenses excluding the above items	4,059	
Other profit and loss items that meet the definition of non-recurring gains and losses	(1,700)	
Effect on minority interest (after tax)	(1,366)	
Income tax effect	<u>(8,865)</u>	
Total	<u><u>35,692</u></u>	

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

As at 31 March 2021, the Company had 112,270 shareholders in total, among which, 112,240 shareholders held the Renminbi-denominated ordinary shares (A Shares) and 30 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 (share)		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
HKSCC Nominees Limited	219,765,318	13.52	0	Unknown	–	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	61,565,300	3.79	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	47,277,962	2.91	0	Nil	0	Others
Hong Kong Securities Clearing Company Limited	16,859,841	1.04	0	Nil	0	Others
Central Huijin Asset Management Co., Ltd.	15,260,700	0.94	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
Boshi AMC – Agricultural Bank – Boshi China Securities Financial Asset Management Plan	8,662,836	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 and number of shares Class of shares	Number of shares (share)
Guangzhou Pharmaceutical Holdings Limited	732,305,103	Domestic shares	732,305,103
HKSCC Nominees Limited	219,765,318	H shares	219,765,318
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	61,565,300	Domestic shares	61,565,300
China Securities Finance Corporation Limited	47,277,962	Domestic shares	47,277,962
Hong Kong Securities Clearing Company Limited	16,859,841	Domestic shares	16,859,841
Central Huijin Asset Management Co., Ltd.	15,260,700	Domestic shares	15,260,700
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
Boshi AMC – Agricultural Bank – Boshi China Securities Financial Asset Management Plan	8,662,836	Domestic shares	8,662,836
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”. Nil	
Explanation on shareholders holding preferred shares whose voting rights are restored and the number of shares		Nil	

2.3 The total number of shareholders holding preferred shares, the top ten shareholders holding preferred shares and the top ten shareholders holding 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 2021 (RMB'000) (Unaudited)	As at 31 December 2020 (RMB'000) (Audited)	Fluctuation (%)	Reasons for fluctuation
Accounts receivable	3,912,406	2,164,979	80.71	(1) The reclassification of accounts receivable planned to participate in asset-backed securities (ABS) by Guangzhou Pharmaceuticals Company Limited (“GP Corp.”), a holding subsidiary of the Company, due to the issuance of accounts receivable of ABS and the management’s intention change of in some accounts receivable, of RMB698 million to this item; (2) the increase in the balance of notes receivable of the subsidiaries of the Company.
Taxes payable	562,254	316,109	77.87	Corporate income tax payable and value-added tax payable by 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.

Items	January 2021 - March 2021 (RMB'000) (Unaudited)	January 2020 - March 2020 (RMB'000) (Unaudited)	Fluctuation (%)	Reasons for fluctuation
Selling and distribution expenses	1,795,847	1,370,728	31.01	Affected by the COVID-19 coronavirus epidemic (the “ epidemic ”) in the corresponding period of last year, while the sales of the subsidiaries of the Company decreased, the product promotion in the market and advertising expenses decreased year on year. During the Reporting Period, the impact of the epidemic in China had eased and market demand had rebounded, the sales increased, and the Company’s subsidiaries increased their product promotion in the market and advertising expenses.
R&D expenses	186,121	134,109	38.78	The R&D expenses of the subsidiaries of the Company increased year on year.
Financial expenses	(64,926)	(13,907)	(366.85)	Interest income of deposits of the Company and its subsidiaries increased year on year.
Other income	43,749	14,070	210.94	Government subsidies recognized by the subsidiaries of the Company increased year on year.

Items	January 2021 - March 2021 (RMB'000) (Unaudited)	January 2020 - March 2020 (RMB'000) (Unaudited)	Fluctuation (%)	Reasons for fluctuation
Investment income	46,571	11,666	299.19	(1) Investment income from long-term equity investments of the Company and its subsidiaries under the equity method increased year on year; (2) investment losses recognized for the difference between the carrying amount and selling price of trade receivables sold during the Reporting Period due to the issuance of ABS by GP Corp., a subsidiary of the Company and with the combination of factors such as comprehensive financing costs, asset quality and maturity, the discount rate of accounts receivable was adjusted downward, resulting in an increase in investment income year on year; (3) the Company recognized interest income of term deposits held to maturity during the Reporting Period but no such event in the corresponding period of last year.
Gains from changes in fair value	(692)	(20,045)	96.55	The amount of such item increased year on year 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.
Impairment losses in respect of assets	(162)	(1,636)	90.08	Loss on decline in value of inventories of the subsidiaries of the Company decreased year on year.

Items	January 2021 - March 2021 (RMB'000) (Unaudited)	January 2020 - March 2020 (RMB'000) (Unaudited)	Fluctuation (%)	Reasons for fluctuation
Gains on disposal of assets	54	471	(88.47)	Due to the termination of property lease by the subsidiaries of the Company, income recognized based on the New Lease Standards decreased year on year.
Non-operating income	5,681	13,566	(58.12)	Income from government compensations for land requisition and resettlement recognized by the subsidiaries of the Company decreased year on year.
Non-operating expenses	1,476	9,297	(84.12)	(1) There were losses from suspension of work due to the impact of the epidemic on the subsidiaries of the Company in the first quarter of 2020 but no such event in the Reporting Period; (2) the amount of public welfare donation expenditures of the subsidiaries of the Company decreased year on year.
Total profit	2,041,771	1,520,331	34.30	Affected by the epidemic in the corresponding period of last year, market demand dropped significantly and sales of the subsidiaries of the Company decreased, resulting in a decrease in total profit. During the Reporting Period, the epidemic in China had eased and market demand had rebounded, resulting in an increase in sales of the subsidiaries of the Company, which led to an increase in total profit.

Items	January 2021 - March 2021 (RMB'000) (Unaudited)	January 2020 - March 2020 (RMB'000) (Unaudited)	Fluctuation (%)	Reasons for fluctuation
Net profit	1,704,047	1,258,569	35.40	The total profit of the Company and its subsidiaries increased.
Net profit attributable to the shareholders of the Company	1,627,420	1,183,863	37.47	The net profit of the Company and its subsidiaries increased.
Net cash flows from operating activities	1,681,290	(3,407,041)	149.35	(1) The 2021 Spring Festival was later than the 2020 Spring Festival and the timing of receipt of payments for the sale of goods during the 2021 Spring Festival of Guangzhou WLJ Great Health Industry Co., Ltd., a wholly-owned subsidiary of the Company, was concentrated in January 2021 while such timing during the 2020 Spring Festival was concentrated in the end of 2019, resulting in an increase in net cash flows from operating activities year on year during the Reporting Period; (2) during the Reporting Period, the impact of the epidemic in China had eased and the subsidiaries of the Company recorded an increase in the sales proceeds received year on year, resulting in an increase in net cash flows from operating activities year on year.
Net cash flows from financing activities	1,193,059	3,550,127	(66.39)	The net bank loans borrowed by the subsidiaries of the Company decreased year on year.

Note: According to the revised Accounting Standards for Business Enterprises No. 14 – Revenue and the supplemental Revenue Standard Cases–Transportation Services issued by the Ministry of Finance, transportation and miscellaneous expenses that qualify as performance costs in selling and distribution expenses for the current and previous periods are included in operating cost.

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 (“HKEX”). 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 (“SSE”) and the HKEX, respectively.

On 29 April 2020, GP Corp. completed the business registration for the change in ownership and became a company limited by shares. The resolution on the capital injection and enlargement of GP Corp. was considered and approved at the third meeting of the eighth session of the Board on 6 August 2020. The resolution on the initial public offering of foreign shares (H shares) by GP Corp. by way of overseas listing and a series of resolutions related to the listing proposals were considered and approved at the sixth meeting of the eighth session of the Board on 30 September 2020. GP Corp. solicited qualified investors by way of a public tender process via the Guangzhou Enterprises Mergers and Acquisition Services from 12 October 2020 to 4 December 2020. According to the delisting, comprehensive agreement and competitive negotiation of the Public Tender via the Guangzhou Enterprises Mergers and Acquisition Services, the capital injection of GP Corp. eventually solicited one strategic investor and five ordinary investors which, thereby created 222,305,300 new shares by way of capital injection and enlargement. On 30 December 2020, GP Corp. completed the business registration for the changes related to the said capital injection and enlargement. On 9 March 2021, GP Corp. submitted the application materials for the initial public offering of overseas listed foreign shares (H shares) and listing on the Main Board of the HKEX to the China Securities Regulatory Commission, and was accepted On 17 March 2021. On 31 March 2021, GP Corp. submitted the Form A1 listing application form to the HKEX for the listing and trading of the shares of GP Corp. on the Main Board of the HKEX. For details, please refer to the announcements of the Company dated 29 April 2020, 6 August 2020, 30 September 2020, 31 December 2020, 17 March 2021 and 31 March 2021 published in Shanghai Securities News, Securities Times, China Securities Journal, Securities Daily and on the websites of the SSE and the HKEX, respectively.

Currently, the preliminary preparation works for the spin-off and overseas listing of GP Corp. are advancing 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 2021 up to the next reporting period, or significant profit fluctuation in comparison to the corresponding period of last year

Applicable Not applicable

3.5 Explanations on the changes in scope of consolidation as compared with the most recent annual report

Applicable Not applicable

During the Reporting Period, there was an addition of one company in scope of consolidation of the Group.

In February 2021, Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd., Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited, Guangzhou Baiyunshan Han Fang Contemporary Pharmaceutical Co., Ltd., all of which are wholly-owned subsidiaries of the Company, and the Company jointly established Guangdong Han Chao Chinese Medicine Technology Co., Ltd. (廣東漢潮中藥科技有限公司) with a registered capital of RMB30 million. The consolidated shareholding of the Group in the company is 75%, of which 45%, 5%, 5% and 20% of the registered capital were contributed by Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd., Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited, Guangzhou Baiyunshan Han Fang Contemporary Pharmaceutical Co., Ltd. and the Company, respectively.

4. APPENDIX

4.1 Financial Report

Consolidated Balance Sheet

As at 31 March 2021

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Current assets:		
Cash at bank and on hand	21,690,806,810.67	19,470,276,224.53
Settlement provisions	–	–
Funds lent	–	–
Financial assets held for trading	4,000,000.00	4,000,000.00
Derivative financial assets	–	–
Notes receivable	1,309,040,978.64	1,134,815,993.39
Accounts receivable	12,732,746,997.72	12,389,655,576.61
Accounts receivable financing	3,912,405,910.90	2,164,978,925.29
Advances to suppliers	861,608,586.17	1,032,533,165.54
Premiums receivable	–	–
Cession insurance premiums receivable	–	–
Provision for insurance contracts	–	–
Other receivables	943,638,789.70	765,711,481.37
Including: Interest receivable	5,156,666.67	4,477,916.67
Dividends receivable	37,938,523.45	37,938,523.45
Financial assets purchased under resale agreements	–	–
Inventories	8,331,351,238.08	9,764,531,363.80
Contract assets	–	–
Classified as assets held for sale	–	–
Current portion of non-current assets	–	–
Other current assets	528,314,124.11	670,115,291.06
Total current assets	<u>50,313,913,435.99</u>	<u>47,396,618,021.59</u>

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Non-currents assets:		
Entrusted loans and advances	–	–
Debt investment	509,631,945.01	505,069,444.73
Other debt investment	–	–
Long-term receivables	–	–
Long-term equity investment	1,908,450,179.01	1,865,866,171.60
Other equity instrument investment	116,139,269.67	116,367,414.84
Other non-current financial assets	262,922,484.16	263,528,067.86
Investments properties	211,121,599.27	213,001,989.80
Fixed assets	2,875,717,496.06	2,912,513,169.84
Construction in progress	1,401,420,494.01	1,276,251,488.95
Bearer biological assets	3,066,532.50	3,153,885.00
Oil and gas assets	–	–
Right-of-use assets	922,336,310.80	909,338,251.24
Intangible assets	2,431,427,459.96	2,443,588,248.17
Development expenditure	7,035,938.00	6,735,587.41
Goodwill	825,573,066.90	825,573,066.90
Long-term prepaid expenses	113,422,526.88	111,306,370.33
Deferred tax assets	761,918,152.65	751,722,372.84
Other non-current assets	160,555,578.52	159,429,328.02
Total non-current assets	<u>12,510,739,033.40</u>	<u>12,363,444,857.53</u>
Total Assets	<u><u>62,824,652,469.39</u></u>	<u><u>59,760,062,879.12</u></u>

Items	31 March 2021 (RMB)	31 December 2020 (RMB)
Current liabilities:		
Short-term borrowings	9,405,591,665.88	8,265,729,653.03
Borrowings from central banks	-	-
Deposits funds	-	-
Financial liabilities held for trading	-	-
Derivative financial liabilities	-	-
Notes payable	2,893,676,898.73	3,284,549,237.79
Accounts payable	10,657,082,014.72	10,874,808,379.60
Advances from customers	-	-
Contract liabilities	1,495,931,806.45	1,249,255,585.45
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	780,524,109.69	846,778,208.52
Taxes payable	562,253,601.07	316,109,068.00
Other payables	4,405,996,297.99	4,013,915,065.13
Including: Interest payable	20,561,693.75	17,844,845.53
Dividends payable	55,600,141.85	57,512,041.85
Handling charges and commissions payable	-	-
Cession insurance premiums payable	-	-
Liabilities held for sales	-	-
Current portion of non-current liabilities	235,667,768.22	236,106,690.45
Other current liabilities	176,525,037.97	155,979,889.85
Total current liabilities	30,613,249,200.72	29,243,231,777.82
Non-current liabilities:		
Insurance contract reserve	-	-
Long-term borrowings	497,550,000.00	497,550,000.00
Bonds payable	-	-
Including: Preferred stock	-	-
Perpetual bond	-	-
Lease liabilities	577,210,085.31	561,824,454.28
Long-term payables	22,846,772.00	22,846,772.00
Long-term employee benefits payable	303,996.54	329,428.98
Provisions	104,217,310.00	104,528,196.76
Deferred income	772,339,801.39	784,074,821.24
Deferred tax liabilities	295,205,090.78	286,359,056.86
Other non-current liabilities	54,094,462.90	54,051,756.99
Total non-current liabilities	2,323,767,518.92	2,311,564,487.11
Total Liabilities	32,937,016,719.64	31,554,796,264.93

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Shareholders' equity:		
Share capital	1,625,790,949.00	1,625,790,949.00
Other equity instruments	-	-
Including: Preferred stock	-	-
Perpetual bond	-	-
Capital surplus	9,885,011,185.13	9,885,011,185.13
Less: Treasury shares	-	-
Other comprehensive income	(20,750,956.61)	(17,673,498.70)
Special reserve	-	-
Surplus reserve	1,720,302,768.39	1,720,302,768.39
General risk provision	-	-
Undistributed profits	<u>14,558,831,940.35</u>	<u>12,931,411,564.72</u>
Total equity attributable to the Shareholders of the parent Company	27,769,185,886.26	26,144,842,968.54
Minority interest	<u>2,118,449,863.49</u>	<u>2,060,423,645.65</u>
Total Shareholders' Equity	<u>29,887,635,749.75</u>	<u>28,205,266,614.19</u>
Total Liabilities and Shareholders' Equity	<u>62,824,652,469.39</u>	<u>59,760,062,879.12</u>

Person in charge of the Company:
Mr. Li Chuyuan

Person in charge of the Financial Work:
Mr. Li Hong

Person in charge of the Finance Department:
Ms. Yao Zhizhi

Parent Company Balance Sheet
As at 31 March 2021

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Current assets:		
Cash at bank and on hand	7,546,517,884.73	7,521,190,578.73
Financial assets held for trading	–	–
Derivative financial assets	–	–
Notes receivable	632,384,065.19	532,824,889.92
Accounts receivable	124,063,466.44	201,331,485.77
Accounts receivable financing	685,157,532.66	274,695,510.29
Advances to suppliers	24,952,220.21	27,549,396.18
Other receivables	564,481,082.00	703,246,345.85
Including: Interest receivable	–	–
Dividends receivable	163,054,898.43	165,044,898.43
Inventories	405,313,703.23	484,244,589.88
Contract assets	–	–
Classified as assets held for sale	–	–
Current portion of non-current assets	–	–
Other current assets	356,335,838.20	257,168,644.21
Total current assets	<u>10,339,205,792.66</u>	<u>10,002,251,440.83</u>

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Non-currents assets:		
Debt investment	509,631,945.01	505,069,444.73
Other debt investment	–	–
Long-term receivables	–	–
Long-term equity investment	10,899,972,919.93	10,619,786,236.44
Other equity instrument investment	116,139,269.67	116,367,414.84
Other non-current financial assets	246,105,976.04	246,975,526.67
Investments properties	195,116,534.00	197,265,068.14
Fixed assets	459,216,411.35	468,753,101.75
Construction in progress	245,129,515.73	239,669,203.07
Bearer biological assets	–	–
Oil and gas assets	–	–
Right-of-use assets	14,631,503.40	16,033,325.27
Intangible assets	1,734,658,804.89	1,733,508,114.31
Development costs	–	–
Goodwill	–	–
Long-term prepaid expenses	4,084,511.63	3,994,695.36
Deferred tax assets	164,225,716.39	164,225,716.39
Other non-current assets	97,433,596.00	97,433,596.00
	<hr/>	<hr/>
Total non-current assets	14,686,346,704.04	14,409,081,442.97
	<hr/>	<hr/>
Total assets	25,025,552,496.70	24,411,332,883.80
	<hr/> <hr/>	<hr/> <hr/>

Items	31 March 2021 (RMB)	31 December 2020 (RMB)
Current liabilities:		
Short-term borrowings	300,000,000.00	300,000,000.00
Financial liabilities held for trading	-	-
Derivative financial liabilities	-	-
Notes payable	626,356.26	513,766.96
Accounts payable	688,659,061.13	641,752,407.73
Advances from customers	-	-
Contract liabilities	246,337,869.17	199,057,095.72
Employee benefits payable	64,248,491.80	71,717,415.33
Taxes payable	56,489,539.73	26,411,509.32
Other payables	2,806,066,142.46	2,719,555,447.38
Including: Interests payable	65,033.35	495,879.17
Dividends payable	807,840.18	807,840.18
Classified as liabilities held for sales	-	-
Current portion of non-current liabilities	6,526,210.97	6,108,194.90
Other current liabilities	38,284,939.53	27,180,326.31
Total current liabilities	4,207,238,611.05	3,992,296,163.65
Non-current liabilities:		
Long-term borrowings	297,550,000.00	297,550,000.00
Debentures payable	-	-
Including: Preferred shares	-	-
Sustainable debts	-	-
Lease liabilities	9,261,078.40	10,646,083.96
Long-term payables	7,802,224.39	7,802,224.39
Long-term employee benefits payable	-	-
Provisions	520,193,861.19	473,152,845.19
Deferred income	50,837,898.98	51,990,599.86
Deferred tax liabilities	12,957,950.22	12,957,950.22
Other non-current liabilities	179,670.48	75,646.19
Total non-current liabilities	898,782,683.66	854,175,349.81
Total Liabilities	5,106,021,294.71	4,846,471,513.46

Items	31 March 2021 <i>(RMB)</i>	31 December 2020 <i>(RMB)</i>
Shareholders' equity:		
Share capital	1,625,790,949.00	1,625,790,949.00
Other equity instruments	-	-
Including: Preferred shares	-	-
Sustainable debts	-	-
Capital surplus	9,820,175,495.89	9,820,175,495.89
Less: Treasury shares	-	-
Other comprehensive income	(7,587,655.13)	(7,359,509.96)
Special reserves	-	-
Surplus reserves	1,347,694,333.79	1,347,694,333.79
Undistributed profits	<u>7,133,458,078.44</u>	<u>6,778,560,101.62</u>
Total shareholders' equity	<u>19,919,531,201.99</u>	<u>19,564,861,370.34</u>
Total liabilities and shareholders' equity	<u>25,025,552,496.70</u>	<u>24,411,332,883.80</u>

*Person in charge of the
Company:*
Mr. Li Chuyuan

*Person in charge of the
Financial Work:*
Mr. Li Hong

*Person in charge of
Finance Department:*
Ms. Yao Zhizhi

Consolidated Income Statement
1 January-31 March 2021

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
1. Total operating income	20,045,948,581.48	16,984,606,405.60
Including: Operating income	20,045,948,581.48	16,984,606,405.60
Interest income	-	-
Premiums earned	-	-
Fees and commissions income	-	-
2. Total operating costs	18,075,415,913.81	15,446,658,542.82
Including: Operating cost	15,541,440,699.51	13,432,675,716.83
Interest expense	-	-
Fees and commissions expense	-	-
Surrenders	-	-
Net claims paid	-	-
Net reserves for insurance contracts	-	-
Policyholder dividends	-	-
Reinsurance expenses	-	-
Taxes and surcharges	100,860,224.36	87,272,164.31
Selling and distribution expenses	1,795,846,616.06	1,370,727,517.35
General and administrative expenses	516,073,740.16	435,781,333.56
R&D expenses	186,120,919.54	134,109,257.21
Financial expenses	(64,926,285.82)	(13,907,446.44)
Including: Interest expense	83,053,253.07	86,487,689.59
Interest income	160,998,534.58	111,179,127.77
Add: Other income	43,749,184.75	14,069,880.16
Investment income (“-” for loss)	46,570,669.30	11,666,360.58
Including: Income from investments in associates and joint ventures	43,236,716.77	24,929,535.92
Gains on termination of financial assets measured at amortized cost	-	-
Exchange gains and losses (“-” for loss)	-	-
Gains on hedging of net exposure (“-” for loss)	-	-
Gains from changes in fair value (“-” for loss)	(691,545.65)	(20,045,180.82)
Impairment losses in respect of credit (“-” for loss)	(22,487,077.67)	(26,411,727.47)
Impairment losses in respect of assets (“-” for loss)	(162,241.22)	(1,636,036.42)
Gains from disposal of assets (“-” for loss)	54,320.71	471,006.19

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
3. Operating profit (“-” for loss)	<u>2,037,565,977.89</u>	<u>1,516,062,165.00</u>
Add: Non-operating income	5,681,329.49	13,566,292.99
Less: Non-operating expenses	1,476,134.95	9,297,024.00
4. Total profit (“-” for loss)	<u>2,041,771,172.43</u>	<u>1,520,331,433.99</u>
Less: Income tax expenses	337,724,578.93	261,762,490.92
5. Net profit (“-” for loss)	<u>1,704,046,593.50</u>	<u>1,258,568,943.07</u>
(1) Classified by the continuity of operations		
A. Net profit from continuing operations (“-” for loss)	1,704,046,593.50	1,258,568,943.07
B. Net profit from discontinued operations (“-” for loss)	-	-
(2) Classified by ownership of the equity		
A. Net profit attributable to the parent company’s shareholders (“-” for loss)	1,627,420,375.64	1,183,863,442.49
B. Minority interest (“-” for loss)	76,626,217.86	74,705,500.58
6. Other comprehensive income, net of tax	(3,716,515.09)	5,725,191.61
Other comprehensive income, net of tax attributable to the parent company’s shareholders	(3,077,457.91)	5,725,191.61
(1) Other comprehensive income that will not be reclassified to profit or loss	(228,145.17)	1,815,763.08
A. Changes arising from the remeasurement of of defined benefit obligation	-	-
B. Other comprehensive income that will not be reclassified to profit or loss under equity method	-	-
C. Changes in fair value of other equity instrument investments	(228,145.17)	1,815,763.08
D. Change in fair value of the company’s own credit risk	-	-

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
(2) Other comprehensive income that may be reclassified into profit or loss	(2,849,312.74)	3,909,428.53
A. Other comprehensive income that may be reclassified to profit or loss under equity method	-	-
B. Change in fair value of other debt investments	(2,344,217.68)	-
C. Amount of financial assets reclassified into other comprehensive income	-	-
D. Provision for credit loss of other debt investments	-	-
E. Cash flow hedge reserve	-	-
F. Difference arising from the translation of foreign currency financial statements	(505,095.06)	3,909,428.53
G. Others	-	-
Other comprehensive income, net of tax attributable to minority shareholders	(639,057.18)	-
7. Total comprehensive income	<u>1,700,330,078.41</u>	<u>1,264,294,134.68</u>
(1) Total comprehensive income attributable to shareholders of the parent company	1,624,342,917.73	1,189,588,634.10
(2) Total comprehensive income attributable to minority shareholders	75,987,160.68	74,705,500.58
8. Earnings per share		
(1) Basic earnings per share (RMB/Share)	1.001	0.728
(2) Diluted earnings per share (RMB/Share)	1.001	0.728

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.

Person in charge of the Company:

Mr. Li Chuyuan

Person in charge of the Financial Work:

Mr. Li Hong

Person in charge of Finance Department:

Ms. Yao Zhizhi

Income Statement of the Parent Company
1 January-31 March 2021

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
1. Operating income	1,480,537,905.27	1,478,529,823.22
Less: Operating cost	747,723,518.94	959,759,579.20
Taxes and surcharges	10,411,041.44	14,402,291.21
Selling and distribution expenses	254,466,681.96	219,899,133.94
General and administrative expenses	78,355,952.05	64,348,245.01
R&D expenses	75,740,734.05	37,929,834.90
Financial expenses	(35,854,770.70)	(17,092,881.60)
Including: Interest expense	4,553,666.23	7,380,931.15
Interest income	40,507,571.06	24,543,080.91
Add: Other income	9,805,539.88	5,379,262.33
Investment income (“-” for loss)	51,174,183.76	34,000,757.11
Including: Income from investments in associates and joint ventures	45,186,683.49	34,000,757.11
Gains on termination of financial assets measured at amortized cost	-	-
Gains on hedging of net exposure (“-” for loss)	-	-
Gains from changes in fair value (“-” for loss)	(869,550.63)	(19,867,175.84)
Impairment losses in respect of credit (“-” for loss)	269,984.02	70,793.21
Impairment losses in respect of assets (“-” for loss)	(1,580,607.90)	2,434,047.44
Gains on disposal of assets (“-” for loss)	-	-
2. Operating profit (“-” for loss)	408,494,296.66	221,301,304.81
Add: Non-operating income	62,444.83	64,398.84
Less: Non-operating expenses	182,511.48	187,496.18
3. Total profit (“-” for loss)	408,374,230.01	221,178,207.47
Less: Income tax expenses	53,476,253.19	25,702,447.01
4. Net profit (“-” for loss)	354,897,976.82	195,475,760.46
(1) Net profit from continuing operations (“-” for loss)	354,897,976.82	195,475,760.46

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
(2) Net profit from discontinued operations (“-” for loss)	-	-
5. Other comprehensive net income, net of tax	(228,145.17)	1,815,763.08
(1) Other comprehensive income that will not be reclassified to profit or loss	(228,145.17)	1,815,763.08
A. Changes arising from the remeasurement of defined benefit obligation	-	-
B. Other comprehensive income that will not be reclassified to profit or loss under equity method	-	-
C. Changes in fair value of other equity instrument investments	(228,145.17)	1,815,763.08
D. Changes in fair value of the company’s own credit risk	-	-
(2) Other comprehensive income that may be reclassified into profit or loss	-	-
A. Other comprehensive income that can may be reclassified to profit or loss under equity method	-	-
B. Changes in fair value of other debt investments	-	-
C. Amount of financial assets reclassified into other comprehensive income	-	-
D. Provision for credit loss of other debt investments	-	-
E. Cash flow hedge reserve	-	-
F. Difference arising from the translation of foreign currency financial statements	-	-
G. Others	-	-
6. Total comprehensive income	<u>354,669,831.65</u>	<u>197,291,523.54</u>
7. Earnings per share		
(1) Basic earnings per share (RMB/Share)	-	-
(2) Diluted earnings per share (RMB/Share)	-	-

Person in charge of the Company:
Mr. Li Chuyuan

Person in charge of the Financial Work:
Mr. Li Hong

Person in charge of Finance Department:
Ms. Yao Zhizhi

Consolidated Cash Flow Statement

1 January-31 March 2021

Items	1 January - 31 March 2021 (RMB)	1 January - 31 March 2020 (RMB)
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	18,160,923,684.77	12,570,376,947.71
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	1,871,348.51	1,311,106.35
Cash received relating to other operating activities	759,008,213.00	687,686,113.61
Sub-total of cash inflows	<u>18,921,803,246.28</u>	<u>13,259,374,167.67</u>
Cash paid for goods and services	14,194,202,910.62	13,650,405,246.24
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	1,514,512,665.31	1,444,195,685.91
Payments of taxes and surcharges	830,850,535.89	833,294,649.67
Cash paid relating to other operating activities	700,946,700.89	738,519,360.72
Sub-total of cash outflows	<u>17,240,512,812.71</u>	<u>16,666,414,942.54</u>
Net cash flows from operating activities	<u>1,681,290,433.57</u>	<u>(3,407,040,774.87)</u>

Items	1 January - 31 March 2021 (RMB)	1 January - 31 March 2020 (RMB)
2. Cash flows from investing activities		
Cash received from disposal of investments	30,000,000.00	60,400,000.00
Cash received from returns on investments	49,594,583.33	585,916.67
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	138,755.42	2,971,857.68
Net cash received from sales of subsidiaries and other business units	-	-
Cash received from other investing activities	106,737.21	889.91
Sub-total of cash inflows	<u>79,840,075.96</u>	<u>63,958,664.26</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	224,863,757.79	154,250,305.74
Cash paid to acquire investments	-	110,000,000.00
Net increase in loans	-	-
Net cash paid for acquire subsidiaries and other business units	-	-
Cash paid relating to other investing activities	-	-
Sub-total of cash outflows	<u>224,863,757.79</u>	<u>264,250,305.74</u>
Net cash flows from investing activities	<u>(145,023,681.83)</u>	<u>(200,291,641.48)</u>
3. Cash flows from financing activities		
Cash received from capital contributions	1,000,000.00	11,734,660.39
Including: Cash received from capital contributions by minority shareholders to subsidiaries	1,000,000.00	11,734,660.39
Cash received from borrowings	4,702,084,789.70	4,380,298,290.53
Cash received relating to other financing activities	869,688,506.46	1,057,734,884.51
Sub-total of cash inflows	<u>5,572,773,296.16</u>	<u>5,449,767,835.43</u>

Items	1 January - 31 March 2021 (RMB)	1 January - 31 March 2020 (RMB)
Cash repayments of borrowings	3,468,991,424.72	1,063,968,273.95
Cash payments for interest expenses and distribution of dividends or profits	105,055,863.43	106,258,529.53
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	21,511,900.00	24,534,459.52
Cash payments relating to other financing activities	805,667,394.83	729,413,621.89
Sub-total of cash outflows	<u>4,379,714,682.98</u>	<u>1,899,640,425.37</u>
Net cash flows from financing activities	<u>1,193,058,613.18</u>	<u>3,550,127,410.06</u>
4. Effects of foreign exchange rate changes on cash and cash equivalents	<u>872,385.29</u>	<u>(33,356.95)</u>
5. Net increase in cash and cash equivalents	2,730,197,750.21	(57,238,363.24)
Add: Cash and cash equivalents at the beginning of the period	<u>17,765,132,774.10</u>	<u>16,833,622,508.23</u>
6. Cash and cash equivalents at the end of the period	<u>20,495,330,524.31</u>	<u>16,776,384,144.99</u>

*Person in charge of the
Company:*
Mr. Li Chuyuan

*Person in charge of the
Financial Work:*
Mr. Li Hong

*Person in charge of
Finance Department:*
Ms. Yao Zhizhi

Cash Flow Statement of the Parent Company
1 January-31 March 2021

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	608,941,597.15	706,150,041.46
Refund of taxes and surcharges	15,484.65	19,259.32
Cash received relating to other operating activities	285,968,662.95	44,024,186.52
Sub-total of cash inflows	<u>894,925,744.75</u>	<u>750,193,487.30</u>
Cash paid for goods and services	501,097,166.54	464,638,072.43
Cash paid to and on behalf of employees	134,162,655.08	126,153,660.11
Payments of taxes and surcharges	81,267,729.27	124,582,085.52
Cash paid relating to other operating activities	50,246,774.60	52,911,869.18
Sub-total of cash outflows	<u>766,774,325.49</u>	<u>768,285,687.24</u>
Net cash flows from operating activities	<u>128,151,419.26</u>	<u>(18,092,199.94)</u>
2. Cash flows from investing activities		
Cash received from disposal of investments	-	-
Cash received from returns on investments	315,030,055.59	149,999,104.33
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	84,902,478.84	161,759,400.98
Sub-total of cash inflows	<u>399,932,534.43</u>	<u>311,758,505.31</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	50,434,336.27	44,338,498.90
Cash paid to acquire investments	235,000,000.00	-
Net cash paid for acquire subsidiaries and other business units	-	-
Cash paid relating to other investing activities	-	105,000,000.00
Sub-total of cash outflows	<u>285,434,336.27</u>	<u>149,338,498.90</u>
Net cash flows from investing activities	<u>114,498,198.16</u>	<u>162,420,006.41</u>

Items	1 January- 31 March 2021 (RMB)	1 January- 31 March 2020 (RMB)
3. Cash flows from financing activities		
Cash received from capital contributions	-	-
Cash received from borrowings	-	-
Cash received relating to other financing activities	-	-
Sub-total of cash inflows	<u>-</u>	<u>-</u>
Cash repayments of borrowings	-	154,431,644.92
Cash payments for interest expenses and distribution of dividends or profits	5,918,743.57	7,196,637.88
Cash payments relating to other financing activities	1,403,567.85	1,495,132.23
Sub-total of cash outflows	<u>7,322,311.42</u>	<u>163,123,415.03</u>
Net cash flows from financing activities	<u>(7,322,311.42)</u>	<u>(163,123,415.03)</u>
4. Effects of foreign exchange rate changes on cash and cash equivalents	<u>-</u>	<u>-</u>
5. Net increase in cash and cash equivalents	235,327,306.00	(18,795,608.56)
Add: Cash and cash equivalents at the beginning of the period	<u>7,290,448,816.07</u>	<u>6,301,162,971.77</u>
6. Cash and cash equivalents at the end of the period	<u>7,525,776,122.07</u>	<u>6,282,367,363.21</u>

Person in charge of the Company:
Mr. Li Chuyuan

Person in charge of the Financial Work:
Mr. Li Hong

Person in charge of the Finance Department:
Ms. Yao Zhizhi

4.2 The adjustments to relevant items in financial statements at the beginning of the year upon initial implementation year of new Revenue Standards and new Leases Standards since 2021

Applicable Not applicable

4.3 Explanation on the retrospective adjustments to comparative data of the previous periods upon initial implementation of new Revenue Standards and new Leases Standards since 2021

Applicable Not applicable

4.4 Audited Report

Applicable Not applicable

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 27 April 2021

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