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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)

## **SUMMARY OF THE 2023 INTERIM REPORT**

### **1. IMPORTANT NOTICE**

- 1.1** This summary is extracted from the full text of the 2023 interim report of the Company for the six months ended 30 June 2023. Investors who wish to know more details are advised to read in detail the full text of the 2023 interim report which will be published on, among others, the website of SSE (<http://www.sse.com.cn>) or other websites designated by CSRC, and on the website of HKEX (<http://www.hkex.com.hk>).
- 1.2** The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary and confirm that there are no false information, misleading statements or material omissions in this summary.
- 1.3** The Directors were present at the third meeting of the ninth session of the Board, among whom, Mr. Chen Yajin, the independent non-executive director, was unable to attend the meeting due to official business and authorized Mr. Huang Min, the independent non-executive director, to attend and exercise the right to vote. Ms. Liu Juyan, the executive director, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing, the independent non-executive directors, attended the meeting by telephones.
- 1.4** After deliberation, the Board did not recommend payment of interim dividends for the six months ended 30 June 2023 and did not propose any increase in share capital from the capitalization of capital reserve.
- 1.5** The financial reports of the Group and the Company for the Reporting Period are prepared in accordance with the China Accounting Standards for Business Enterprises, which are unaudited.
- 1.6** All the information required to be contained in the summary of the 2023 interim report of the Company pursuant to paragraph 46 of Appendix 16 to the Listing Rules of HKEX shall be published on the website of HKEX (<http://www.hkex.com.hk>).
- 1.7** This summary is prepared in both English and Chinese. In the event of discrepancy in interpretation, the Chinese version shall prevail.

## 2. DEFINITIONS

In this summary, unless the context otherwise requires, the following terms have the meaning as follows:

Company/the Company/GYBYS	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited
PRC or China	the People's Republic of China
Reporting Period	the six months ended 30 June 2023
Group	the Company and its subsidiaries
Board	the board of directors of the Company
Director	a director of the Company
Supervisory Committee	the supervisory committee of the Company
Supervisor	a supervisor of the Company
CSRC	China Securities Regulatory Commission
SSE	The Shanghai Stock Exchange
HKEX	The Stock Exchange of Hong Kong Limited
Listing Rules of HKEX	the Rules Governing the Listing of Securities on the HKEX
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules of HKEX
GPHL	Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司)
Xing Qun	Guangzhou Baiyunshan Xing Qun Pharmaceutical Co., Ltd. (廣州白雲山星群(藥業)股份有限公司)
Zhong Yi	Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited (廣州白雲山中一藥業有限公司)
Pan Gao Shou	Guangzhou Baiyunshan Pan Gao Shou Pharmaceutical Co., Ltd. (廣州白雲山潘高壽藥業股份有限公司)

Baiyunshan Han Fang	Guangzhou Baiyunshan Han Fang Contemporary Pharmaceutical Co., Ltd. (廣州白雲山漢方現代藥業有限公司)
WLJ Great Health	Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司)
GP Corp.	Guangzhou Pharmaceuticals Company Limited (廣州醫藥股份有限公司)
Cai Zhi Lin	Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd. (廣州采芝林藥業有限公司)
Guangyao Baiyunshan Hong Kong Company	Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司)
Baiyunshan General Factory	Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Pharmaceutical General Factory (廣州白雲山醫藥集團股份有限公司白雲山制藥總廠)
Chemical Pharmaceutical Factory	Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Chemical Pharmaceutical Factory (廣州白雲山醫藥集團股份有限公司白雲山化學製藥廠)
Chemical & Pharmaceutical Technology Company	Guangyao Baiyunshan Chemical & Pharmaceutical Technology (Zhuhai Hengqin) Company(formerly known as Guangzhou Baiyunshan Chemical & Pharmaceutical Technology Co., Ltd.) (廣藥白雲山化學藥科技(珠海橫琴)有限公司(原廣州白雲山化學藥科技有限公司))
Baiyunshan Hospital	Guangzhou Baiyunshan Hospital Co., Ltd. (廣州白雲山醫院有限公司)
Runkang Confinement Company	Guangzhou Baiyunshan Runkang Confinement Service Center Co., Ltd. (廣州白雲山潤康月子會所有限公司)
GZ Chan Tou	Guangzhou Industrial Investment and Capital Operation Holding Group Ltd. (廣州產業投資控股集團有限公司)

GZ Chengfa	Guangzhou China Life Urban Development Industry Investment Enterprise (Limited Partnership) (廣州國壽城市發展產業投資企業(有限合夥))
GP Fund	Guangzhou GP Fund Equity Investment Partnership (Limited Partnership)(廣州廣藥基金股權投資合夥企業(有限合夥))
Charmacy Pharmaceutical	Charmacy Pharmaceutical Co., Ltd (創美藥業股份有限公司)

### 3. COMPANY PROFILE

#### 3.1 Company profile

Stock abbreviation:	BAIYUNSHAN
Stock code:	600332 (A Share)
Stock exchange:	SSE
Stock abbreviation:	BAIYUNSHAN PH
Stock code:	0874 (H Share)
Stock exchange:	HKEX

	<b>Secretary to the Board</b>	<b>Representative of securities affairs</b>
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Principal place of business in Hong Kong	Room 2005, 20th Floor, Tower Two Lippo Center, 89 Queensway, Hong Kong	

### 3.2 Principal financial data and financial indicators

<b>Principal financial data</b>	<b>The Reporting Period (unaudited)</b>	The corresponding period of 2022 (unaudited)	Changes as compared with the corresponding period of 2022 (%)
Income from operations <i>(RMB'000)</i>	<b>39,970,331</b>	37,220,451	7.39
Net profit attributable to the shareholders of the Company <i>(RMB'000)</i>	<b>2,811,248</b>	2,589,996	8.54
Net profit attributable to the shareholders of the Company after deducting non-recurring items <i>(RMB'000)</i>	<b>2,598,509</b>	2,300,375	12.96
Net cash flow from operating activities <i>(RMB'000)</i>	<b>(740,710)</b>	1,712,214	(143.26)
Net cash flow from operating activities per share <i>(RMB/Share)</i>	<b>(0.46)</b>	1.05	(143.26)
Total profit <i>(RMB'000)</i>	<b>3,532,692</b>	3,332,233	6.02
<b>Principal financial data</b>	<b>As at 30 June 2023 (unaudited)</b>	As at 31 December 2022 (audited)	Changes as compared with 31 December 2022 (%)
Net assets attributable to the shareholders of the Company <i>(RMB'000)</i>	<b>33,685,903</b>	32,065,125	5.05
Total assets <i>(RMB'000)</i>	<b>73,607,239</b>	74,665,299	(1.42)
Equity attributable to the shareholders of the Company per share <i>(RMB/share)</i>	<b>20.72</b>	19.72	5.05

<b>Principal financial indicators</b>	<b>The Reporting Period (unaudited)</b>	The corresponding period of 2022 (unaudited)	Changes as compared with the corresponding period of 2022 (%)
Basic earnings per share ( <i>RMB/share</i> )	<b>1.729</b>	1.593	8.54
Diluted earnings per share ( <i>RMB/share</i> )	<b>1.729</b>	1.593	8.54
Basic earnings per share after deducting non-recurring items ( <i>RMB/share</i> )	<b>1.598</b>	1.415	12.96
Ratio of weighted average return on net assets (%)	<b>8.40</b>	8.53	A decrease of 0.13 percentage point
Ratio of weighted average return on net assets after deducting non-recurring items (%)	<b>7.76</b>	7.58	An increase of 0.18 percentage point

*Note:* The above financial data and indicators are computed based on consolidated financial statements.

## **DESCRIPTION OF PRINCIPAL FINANCIAL DATA AND FINANCIAL INDICATORS OF THE COMPANY**

Applicable     Not Applicable

Net cash flow from operating activities decreased year-on-year due to: ① WLJ Great Health, a wholly-owned subsidiary of the Company, collected accounts receivable for stock-up mostly in late 2022, resulting in a year-on-year decrease in net cash flow from operating activities for the current period as the Spring Festival came earlier in 2023 than in 2022; ② cash payments for goods purchased and services received by the subsidiaries of the Company increased year-on-year.

### **3.3 Movement in share capital**

Applicable     Not Applicable

### **3.4 Change in shares subject to selling restrictions**

Applicable     Not Applicable

### 3.5 The top ten shareholders of the Company

Total number of shareholders as at the end of the Reporting Period	91,239
Total number of preferred shareholders whose voting rights were restored as at the end of the Reporting Period	0

#### The top ten shareholders of the Company

Shareholders	Nature of shareholders	Approximate percentage of the total issued share capital (%)	Number of shares held as at the end of the Reporting Period (Share)	Number of shares subject to selling restrictions held (Share)	Number of shares subject to pledge, mark or lock-up (Share)
GPHL	State-owned legal person	45.04	732,305,103	0	0
HKSCC Nominees Limited	Others	13.52	219,771,290	0	0
GZ Chengfa	Others	4.51	73,313,783	0	0
China Securities Finance Corporation Limited	Others	2.91	47,277,962	0	0
Hong Kong Securities Clearing Company Limited	Others	2.16	35,102,944	0	0
GZ Chan Tou	State-owned legal person	1.16	18,833,747	0	0
China Construction Bank Corporation – E Fund CSI 300 Medicine and Health Trading Open Index Investment fund	Others	0.62	10,046,674	0	0
China AMC – Agricultural Bank – Huaxia China Securities Financial Asset Management Plan	Others	0.54	8,795,136	0	0
Zhongou AMC –Agricultural Bank – Zhongou China Securities Financial Asset Management Plan	Others	0.53	8,680,636	0	0
Boshi AMC-Agricultural Bank-Boshi China Securities Financial Asset Management Plan	Others	0.53	8,662,836	0	0

**Explanation on the connection or persons 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 several clients.

(2) The Company was not aware of any connection among the above top ten shareholders, or whether they were persons acting in concert as provided in the “Rules Governing the Disclosure of Change in Shareholders’ Shareholding in Listed Companies”.

**Explanation on preferred shareholders with their voting rights restored and the number of shares they hold**

Not Applicable

**3.6 Table of total numbers of shareholders of preferred shares and top ten shareholders of preferred shares as at the end of the Reporting Period**

Applicable  Not Applicable

**3.7 Information on change in controlling shareholders or beneficial owners**

Applicable  Not Applicable

**3.8 Information of bonds remaining on the approval date of the interim report**

Applicable  Not Applicable



## 4. MAJOR EVENTS

### 4.1 Management discussion and analysis

During the Reporting Period, adhering to the general basic principle of “seeking progress while maintaining stability” and focusing on the development theme of “improving both efficiency and effectiveness”, the Group not only delivered satisfactory performance of business operation and management on all fronts thanks to the coordinated efforts, but also endeavored to enhance the operation efficiency and development effectiveness, bringing about stable growth in earning results.

In the first half of 2023, the Group realized revenue of RMB39,970,331,000, representing a year-on-year increase of 7.39%; total profit of RMB3,532,692,000, representing a year-on-year increase of 6.02%; and net profit attributable to shareholders of the Company of RMB2,811,248,000, representing a year-on-year increase of 8.54%.

During the Reporting Period, major activities actively promoted by the Group include:

- (I) Further consolidating the development foundation for the Great Southern TCM by adhering to in-depth cultivation, absorbing resources and optimizing products. During the Reporting Period, the Great Southern TCM made greater efforts to support and cultivate “Diva brands” and “High-Potential Products” by continuously integrating internal resources, enhancing promotion of channels and driving force of sales terminal, carrying out innovative marketing, etc.. The Group also strengthened brand building by actively boosting innovation vitality of time-honored brands to enhance the awareness and visibility of brands and products. During the Reporting Period, the Group achieved rapid year-on-year growth of sales revenue from such products as Qing Kai Ling series, An Gong Niu Huang Pills, Xiao Ke Pill, Paracetamol Caffeine and Aspirin Powder, Sildenafil Citrate Tablets (Trade name “Jin Ge”), Xiao Chai Hu Granules, Xia Sang Ju series, Mi Lian Chuan Bei Pi Pa Gao Jelly, She Dan Chuan Bei Pi Pa Gao Jelly, etc.

- (II) Continuously building on growth drivers for the Great Health by expanding sales channels and developing new products adhering to the principal of “one core with multi-elements”. During the Reporting Period, in order to further enhance penetration rate and market share of the herbal tea, Wang Lao Ji herbal tea vigorously expanded channels in the catering market while relying primarily on the existing core channels, and explored the ready-to-drink market for the herbal tea with focus on those channels like gift and banquet segments. The Group developed various customized cans to continuously strengthen the connections with different shopping scenarios such as traditional festivals. In addition, the Group also implemented an innovative marketing model in which products are targeted at young consumers. The connotation of “Ji” culture was extended so as to improve cultural influence of the brand. Continuously promoting “Wang Lao Ji”, “Ci Ning Ji” and “Li Xiao Ji” as “Ji Xiang San Bao” (吉祥三寶), the Group made active efforts to foster diversified new products such as Camellia Flavored Herbal Tea, Wang Xiao Ji Mini Can and Ci Ning Ji Electrolyzed Water to enrich product portfolio.
- (III) Boosting the transformation and development of the Great Commerce by leveraging opportunities and expanding the sales network. As regards the Great Commerce, the Group grew its footprint in the retail market by advancing the offering expansion and channel integration during the Reporting Period. The Company’s subsidiary GP Corp. branched out into the medical nutrition product and FSMP (food for special medical purpose) distribution business, and explored the FSMP co-development model. GP Corp. grasped the opportunity of prescription outflows from medical institutions, and accelerated the coordination and connection between “dual channel” and retail medical insurance, as well as the construction of operation platform. Furthermore, GP Corp. stepped up investment and mergers and acquisitions (M&A) efforts to broaden its nationwide sales network. It established Guangyao Heilongjiang Pharmaceutical Co., Ltd. (廣藥黑龍江醫藥有限公司) and Guangyao (Shaoguan) Pharmaceutical Co., Ltd. (廣藥(韶關)醫藥有限公司), respectively, both of which have come into operation. And its five wholly-owned subsidiaries located in Maoming, Zhanjiang, Dongguan, Huizhou and Shantou completed the registration in industrial and commercial authorities. Cai Zhi Lin, another subsidiary of the Company, continued its drive to transform its hospital distribution business. And it continuously won bids for Chinese medicine decoction projects from grade-A tertiary hospitals such as Guangdong Provincial Hospital of Traditional Chinese Medicine and community hospitals.
- (IV) Broadening the development space of the Great Medical Care through construction enhancement and brand shaping. During the Reporting Period, Baiyunshan Hospital, a member of the Great Medical Care, consistently improved software and hardware facilities benchmarked against the standards adopted for tertiary hospitals. Further progress was made in the internet hospital platform of Baiyunshan Hospital, with the internet hospital license obtained in this April. Runkang Confinement Company further enhanced its postnatal care center brand by holding special lectures and promotional events jointly with obstetrics and gynecology experts.

- (V) Continuously strengthening research and development innovation, as well as construction of research platforms. And further standardizing and enhancing medicine quality management. In the first half of 2023, the Group invested a total of RMB401 million in research and development, and obtained 6 production approvals such as the new anti-PE drugs called Dapoxetine hydrochloride, and 1 clinical trial approval. During the Reporting Period, Baiyunshan Han Fang, a subsidiary of the Company, was shortlisted in the list of “Model Enterprises for Technological Reform” issued by the State-owned Assets Supervision and Administration Commission of the State Council. Zhong Yi was awarded the Gold Medal at the Geneva International Exhibition of Inventions and the First Prize of Science and Technology awarded by the Provincial High-tech Enterprises Association in recognition of its innovative research and applications of Zi Shen Yu Tai Pill. Ten subsidiaries of the Company, including Baiyunshan Han Fang, Pan Gao Shou, and Xing Qun, etc., were officially designated as Specialized and Sophisticated SMEs of Guangdong province. Baiyunshan General Factory received the Silver Medal at the Geneva International Exhibition of Inventions for its project of “Huoxin Pill-Famous Chinese Patent Medicine for Treating Angina Pectoris of Coronary Heart Disease”. The Group organized and completed the audit of five standardized technical transformation projects to further standardize and tighten up product quality management; carried out the construction of pharmacovigilance system and set up the monitor system of adverse reactions; and promoted the collaborative innovation model to develop a dual prevention mechanism whereby safety risks are controlled on a grading basis and potential risks are screened through digitization and big data computing.
- (VI) Enhancing capital operation capability by establishing an industrial equity investment fund. In the first half of 2023, GP Fund established by the Company subscribed for the shares of WBA GP (Guangzhou) Equity Investment Partnership (Limited Partnership) (沃博聯廣藥(廣州)股權投資合夥企業(有限合夥)) (“WBA GP Fund”) at a price of RMB334 million. WBA GP Fund has been registered as a private investment fund in July 2023.
- (VII) Steadily advancing the program of human resources-based corporate development, and continuously pushing ahead with the professional manager reform.
- (VIII) Continuously enhancing the management with focus on the weakness. In order to enhance operation effectiveness and internal management efficiency, the Group carried out an improvement program of efficiency and effectiveness by deepening innovations in systems and mechanisms, etc.

Significant changes to the operation of the Company during the Reporting Period and matters with significant effects on the operation of the Company incurred during the Reporting Period and expected to have significant effects in the future.

Applicable     Not Applicable

## 4.2 Analysis of principal operations

### 4.2.1 Table on analysis of changes in financial statement related subjects

Items	The Reporting Period (RMB'000)	The corresponding period of 2022 (RMB'000)	Increase/ (Decrease) over the corresponding period of 2022 (%)
Revenue	<b>39,970,331</b>	37,220,451	7.39
Include: income from principal operations	<b>39,832,674</b>	37,083,607	7.41
Cost of sales	<b>31,645,497</b>	29,515,379	7.22
Include: cost from principal operations	<b>31,621,173</b>	29,490,095	7.23
Selling and distribution expenses	<b>3,263,110</b>	3,185,948	2.42
General and administrative expenses	<b>1,199,468</b>	1,067,965	12.31
Financial expenses <sup>(Note 1)</sup>	<b>(39,682)</b>	(129,434)	69.34
Research and development expenses	<b>400,574</b>	441,319	(9.23)
Net cash flow from operating activities <sup>(Note 2)</sup>	<b>(740,710)</b>	1,712,214	(143.26)
Net cash flow from investing activities <sup>(Note 3)</sup>	<b>(955,178)</b>	(2,630,427)	63.69
Net cash flow from financing activities <sup>(Note 4)</sup>	<b>674,988</b>	1,094,509	(38.33)
Other income <sup>(Note 5)</sup>	<b>81,324</b>	319,247	(74.53)
Investment income <sup>(Note 6)</sup>	<b>176,422</b>	55,356	218.71
Gains from changes in fair value <sup>(Note 7)</sup>	<b>44,054</b>	(952)	4,726.36
Impairment losses in respect of credit <sup>(Note 8)</sup>	<b>(100,489)</b>	(20,540)	(389.23)
Impairment losses in respect of assets <sup>(Note 9)</sup>	<b>4,021</b>	(1,339)	400.25
Minority interest <sup>(Note 10)</sup>	<b>110,495</b>	158,936	(30.46)

#### Notes:

- (1) Financial expenses increased year-on-year due to the year-on-year decrease in interest income from deposits of subsidiaries of the Company.
- (2) Net cash flow from operating activities decreased year-on-year due to: ① WLJ Great Health, a wholly-owned subsidiary of the Company, collected accounts receivable for stock-up mostly in late 2022, resulting in a year-on-year decrease in net cash flow from operating activities for the current period as the Spring Festival came earlier in 2023 than in 2022; ② cash payments for goods purchased and services received by the subsidiaries of the Company increased year-on-year.
- (3) Net cash flows from investing activities increased year-on-year due to: ① the subsidiaries of the Company redeemed large-denomination certificates of deposit upon maturity during the Reporting Period, resulting in an increase in net cash flows from investing activities; and ② cash dividends received by the Company increased year-on-year.
- (4) Net cash flow from financing activities decreased year-on-year due to: GP Corp., a holding subsidiary of the Company, repaid super short-term commercial paper upon maturity during the Reporting Period.

- (5) Other income decreased year-on-year due to: a year-on-year decrease in government subsidies recognized by the subsidiaries of the Company.
- (6) Investment income increased year-on-year due to: a year-on-year increase in investment income recognized from the purchase of large-denomination certificates of deposit and time deposits by the Company and its subsidiaries.
- (7) Gains from changes in fair value increased year-on-year due to: a year-on-year increase in fair value of financial assets held by the Company and its subsidiaries at the end of the Reporting Period.
- (8) Impairment losses on credit decreased year-on-year due to: a year-on-year increase in credit impairment losses on accounts receivable accrued by subsidiaries of the Company.
- (9) Impairment losses on assets increased year-on-year due to: the subsidiaries of the Company reversed part of the provision for decline in value of inventories during the Reporting Period.
- (10) Minority interests decreased year-on-year due to: the completion of the acquisition of 18.18% interests in GP Corp. by the Company in the second half of 2022, resulting in a year-on-year decrease in minority interests recognized in the Reporting Period.

#### ***4.2.2 Analysis on the Group's principal operations during the Reporting Period by industry and by product***

Operations	Results of principal operations by industry				Gross profit margin of principal operations	
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	Increase/(Decrease) over the corresponding period of 2022
	Income from principal operations	Increase/(Decrease) over the corresponding period of 2022	Cost of principal operations	Increase/(Decrease) over the corresponding period of 2022		
(RMB'000)	(%)	(RMB'000)	(%)	(%)	(percentage point)	
Great Southern TCM	6,311,375	5.98	3,086,348	0.48	51.10	An increase of 2.68 percentage points
Great Health	7,047,787	8.07	3,907,677	10.01	44.55	A decrease of 0.98 percentage points
Great Commerce	26,214,730	7.63	24,410,566	7.74	6.88	A decrease of 0.09 percentage point
Other	258,782	2.81	216,582	3.37	16.31	A decrease of 0.45 percentage point
<b>Total</b>	<b>39,832,674</b>	<b>7.41</b>	<b>31,621,173</b>	<b>7.23</b>	<b>20.61</b>	<b>An increase of 0.13 percentage point</b>

Types of product	Results of principal operations by product				Gross profit margin of principal operations	
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	Increase/(Decrease) over the corresponding period of 2022 (percentage point)
	Income from principal operations (RMB'000)	Increase/ (Decrease) over the corresponding period of 2022 (%)	Cost of principal operations (RMB'000)	Increase/ (Decrease) over the corresponding period of 2022 (%)		
Chinese patent medicine	3,756,703	23.04	2,140,337	23.59	43.03	An increase of 0.25 percentage point
Chemical medicine	2,554,672	(11.96)	946,011	(29.39)	62.97	An increase of 9.14 percentage points
<b>Total of Great Southern TCM</b>	<b>6,311,375</b>	<b>5.98</b>	<b>3,086,348</b>	<b>0.48</b>	<b>51.10</b>	<b>An increase of 2.68 percentage points</b>

**4.2.3 The regional sales of the Group's operations during the Reporting Period are as follows:**

Regions	Income from principal operations (RMB'000)	Increase/ (Decrease) over the corresponding period of 2022 (%)
Southern China	29,176,787	3.77
Eastern China	3,458,159	10.14
Northern China	1,960,886	29.73
North-Eastern China	729,144	136.17
South-Western China	3,131,931	9.57
North-Western China	1,211,424	16.38
Exports	164,343	54.55
<b>Total</b>	<b>39,832,674</b>	<b>7.41</b>

#### **4.2.4 Others**

Detailed description of the major changes in the Company's profit composition or profit sources

Applicable     Not Applicable

#### **4.3 Description of significant changes in profit resulting from non-principal operation**

Applicable     Not Applicable

#### **4.4 Analysis on financial conditions**

##### **4.4.1 Liquidity**

As at 30 June 2023, the current ratio of the Group was 1.63 (31 December 2022: 1.53), and its quick ratio was 1.35 (31 December 2022: 1.24). During the Reporting Period, accounts receivable turnover was 64.39 in days, representing a decrease of 0.56 day as compared with the end of 2022; inventory turnover was 56.86 in days, representing a decrease of 9.72 days as compared with the end of 2022.

##### **4.4.2 Financial resources**

As at 30 June 2023, cash and cash equivalents of the Group amounted to RMB19,787,561,000 (31 December 2022: RMB20,804,699,000), of which approximately 98.47% and 1.53% were denominated in Renminbi and foreign currencies such as Hong Kong dollar, etc., respectively.

As at 30 June 2023, the Group had bank borrowings of RMB12,142,688,000 (31 December 2022: RMB10,675,850,000) including short-term borrowings of RMB8,546,922,000 (31 December 2022: RMB8,538,065,000), long-term borrowings of RMB2,913,586,000 (31 December 2022: RMB1,639,203,000), and non-current liabilities expiring within one year of RMB682,180,000 (31 December 2022: RMB498,582,000).

##### **4.4.3 Capital structure**

As at 30 June 2023, the Group's current liabilities amounted to RMB33,049,270,000 (31 December 2022: RMB37,395,116,000), representing a decrease of 11.62% as compared to the beginning of 2023, and its long-term liabilities amounted to RMB5,182,933,000 (31 December 2022: RMB3,632,325,000), representing an increase of 42.69% as compared to the beginning of 2023. Shareholders' equity attributable to the shareholders of the Company amounted to RMB33,685,903,000 (31 December 2022: RMB32,065,125,000), representing an increase of 5.05% as compared to the beginning of 2023.



#### 4.4.4 Capital expenditure

The Group expects the capital expenditure for 2023 to be approximately RMB2.677 billion among which the expenditure in the first half of 2023 amounted to RMB0.867 billion (in the first half of 2022: RMB0.620 billion), which was mainly applied in the construction of production bases, upgrade of equipment and set-up of information system, etc. The Group will raise funds to meet the capital requirements of capital expenditure by resorting to its internal funds, bank loans, etc.

#### 4.4.5 Description of assets and liabilities

Item	As at 30 June 2023 (RMB'000)	% of the total assets (%)	As at 31 December 2022 (RMB'000)	% of the total assets (%)	Increase/ (Decrease) as compared to 31 December 2022 (%)	Reasons for changes
Advances to suppliers	566,754	0.77	836,055	1.12	(32.21)	The drugs and other materials purchased by the subsidiaries of the Company by way of prepayment in 2022 were delivered during the Reporting Period, resulting in a year-on-year decrease in the amount under this item.
Other current assets	1,280,052	1.74	2,262,190	3.03	(43.42)	During the Reporting Period, the Company's subsidiaries redeemed large-denomination certificates of deposit within one year upon maturity, resulting in a year-on-year decrease in the amount under this item.
Debt investment	4,484,461	6.09	3,164,499	4.24	41.71	During the Reporting Period, the subsidiaries of the Company increased large-denomination certificates of deposit and time deposits held to maturity.
Investment properties	133,296	0.18	206,705	0.28	(35.51)	The properties leased out by the Company and its subsidiaries decreased year-on-year.
Other non-current assets	458,043	0.62	239,830	0.32	90.99	During the Reporting Period, the subsidiaries of the Company made additional payment for land acquisition.



Item	As at 30 June 2023 (RMB'000)	% of the total assets (%)	As at 31 December 2022 (RMB'000)	% of the total assets (%)	Increase/ (Decrease) as compared to 31 December 2022 (%)	Reasons for changes
Contract liabilities	1,400,378	1.90	5,644,202	7.56	(75.19)	(1) WLJ Great Health, a wholly-owned subsidiary of the Company, recorded sales on stock-up for the Spring Festival in late 2022, resulting in a decrease in the balance of advance payments on sales during the Reporting Period; (2) other subsidiaries of the Company recorded a decrease in advance payments on sales as compared with the end of last year.
Other current liabilities	460,476	0.63	1,325,366	1.78	(65.26)	(1) During the Reporting Period, GP Corp., a holding subsidiary of the Company, issued the new first tranche of 2023 super short-term commercial paper for RMB300 million as the 2022 super short-term commercial paper expired; (2) there was a decrease in the taxes to be written off in the advance payments received within one year by the subsidiary of the Company.
Long-term borrowings	2,913,586	3.96	1,639,203	2.20	77.74	Bank borrowings of subsidiaries of the Company increased year-on-year.

#### ***4.4.6 Exposure to fluctuations in exchange rates***

As the majority of the revenue, expenses, assets and liabilities of the Group are denominated or settled in Renminbi, the Group did not have significant risks of exposure to fluctuations in exchange rates.

#### ***4.4.7 Contingent liabilities***

As at 30 June 2023, the Group had no material contingent liabilities.

#### ***4.4.8 Charge on the Group's assets***

As at 30 June 2023, Guangyao Baiyunshan Hong Kong Company, a subsidiary of the Company, acquired the overdraft amounting to HKD300,000, letter of credit and 90 days credit in the total amount of HKD100,000,000 as well as unexpired letter of credit of USD628,000 from Bank of China (Hong Kong) Limited, secured by fixed assets and buildings with an original value amounting to HKD8,893,000 and net value amounting to HKD6,616,000 and investment properties with an original value amounting to HKD6,843,000 and net value amounting to HKD4,225,000.

#### ***4.4.9 Bank loans, overdrafts and other borrowings***

As at 30 June 2023, the bank loans of the Group amounted to RMB12,142,688,000 (31 December 2022: RMB10,675,850,000), with an increase of RMB1,466,838,000 as compared to the beginning of 2023. The above bank loans included short-term borrowings of RMB8,546,922,000, long-term borrowings of RMB2,913,586,000 and non-current liabilities expiring within one year of RMB682,180,000.

#### ***4.4.10 Gearing ratio***

As at 30 June 2023, the Group's gearing ratio (total liabilities/total assets  $\times$  100%) was 51.94% (31 December 2022: 54.95%).

#### ***4.4.11 Material investment***

As at 30 June 2023, except for those disclosed in "4.5 Analysis of investment situation" of "4. MAJOR EVENTS" in this summary, the Group did not have any other material additional investment.

## 4.5 Analysis of investment situation

Overall analysis on external equity investment

Applicable    Not Applicable

As at the end of the Reporting Period, the external equity investment of the Group amounted to RMB1,827,039,000, with an increase of RMB242,976,000 as compared to 31 December 2022, mainly due to the Group's recognition of the investment income of the joint ventures and associates under equity method, which led to the increase in long-term equity investment.

### (1) Significant equity investment

Applicable    Not Applicable

### (2) Significant non-equity investment

Applicable    Not Applicable

Name of Investment project	Main Investor	Particulars of Investment Project	Planned Investment Amount (RMB'0000)	Progress of Project Execution
The project for the establishment of Guangzhou Baiyunshan Chemical & Pharmaceutical (Zhuhai) Co., Ltd.	Chemical & Pharmaceutical Technology Company	Construction of chemical raw medicine production base for production and sales of cefathiamidine, sildenafil citrate and other raw medicine	73,187.91	Equipment installation and commissioning in progress.
GYBYS Biological Medicine and Health R&D Sales Headquarters Project	The Company	Establishment of an R&D platform and R&D center for innovative drugs and medical devices, an international pharmaceutical cooperation and exchange center, a technology incubator and dualinnovation base, etc.	109,985.30 (including 40,410,000 at the time of capital increase)	Curtain wall and decoration in progress.
Nansha Base (Phase I) Project of Guangzhou WLJ Great Health Industry Co., Ltd.	WLJ Great Health	Establishment of WLJ herbal tea canning production line	74,965.73	Equipment installation in progress.
GYBYS Affordable Rental Housing and Talent Apartment Construction Project	Chemical Pharmaceutical Factory	Apartment, kindergarten, garage, community public service and other supporting facilities.	108,286.03	Construction approval in progress.

**(3) Financial assets evaluating at fair value**

✓ Applicable    □ Not Applicable

Classification of assets	Opening balance (RMB'000)	Accumulative			Current purchase amount (RMB'000)	Current sale/ redeem amount (RMB'000)	Other changes (RMB'000)	Closing balance (RMB'000)
		Current gains and loss on changes in fair value (RMB'000)	changes in fair value included in interests (RMB'000)	Impairment accrued in the current period (RMB'000)				
Financial assets held for trading	56,873	-	-	-	-	-	56,873	
Other equity instrument investment	109,570	-	(6,213)	-	2,259	-	105,616	
Other non-current financial assets	1,038,819	44,054	-	-	7,568	(78,390)	1,012,050	

*Including: Stock investments*

✓ Applicable    □ Not Applicable

Type of stock	Stock code	Stock abbreviation	The initial amount of investment (RMB'000)	Capital source	Book value as at the beginning of the Reporting Period (RMB'000)	Current gains and loss on changes in fair value (RMB'000)	Accumulative changes in fair value included in interests (RMB'000)	Current purchase/new amount (RMB'000)	Current sale amount (RMB'000)	Current investment gains and losses (RMB'000)	Book value as at the end of the Reporting Period (RMB'000)	Accounting subject
A Share of SSE	600664	Harbin Pharmaceutical Group Co., Ltd.	3,705	Self-raised funds	1,132	105	-	-	-	-	1,237	Other non-current financial assets
A Share of Shenzhen Stock Exchange	000950	CQ Pharmaceutical Holding	150,145	Self-raised funds	132,041	42,887	-	-	-	-	174,928	Other non-current financial assets
H Share of HKSE	02289	Charmacy Pharmaceutical Co., Ltd. <sup>(Note)</sup>	7,568	Self-raised funds	-	597	-	7,568	-	-	8,165	Other non-current financial assets
Total	/	/	<u>161,418</u>	/	<u>133,173</u>	<u>43,590</u>	<u>-</u>	<u>7,568</u>	<u>-</u>	<u>-</u>	<u>184,331</u>	/

*Note:* During the Reporting Period, part of the equity of Charmacy Pharmaceutical was sold by the subsidiary of the Company, and the remaining equity was transferred into financial assets.

#### 4.6 Analysis of the main subsidiaries and investee companies of the Company

Name of enterprise	Business nature	Major products or services	Registered capital (RMB'000)	Equity	Income from principal operations (RMB'000)	Profit from principal operations (RMB'000)	Total assets (RMB'000)	Net assets (RMB'000)	Net profit (RMB'000)
				directly held by the Company (%)					
WLJ Great Health	Manufacturing	Production and sales of pre-packaged food, dairy products, etc.	900,000.00	100.00	6,400,660	2,805,798	13,619,607	9,527,776	1,256,219
GP Corp.	Pharmaceutical business	Wholesale and retail business	2,449,305.50	90.92	26,174,622	1,604,766	31,843,284	6,727,994	293,162

During the Reporting Period, except in relation to WLJ Great Health and the GP Corp. as mentioned in the above table, the Company did not derive any net profit from any single subsidiary or any investment income from any single investee company which has an impact of 10% or more on net profit of the Group.

During the Reporting Period, the Group did not have other operation activities which had significant impact on net profit.

#### 4.7 Plan for profit distribution and increase in share capital from capital reserve

The Board proposed not to distribute interim dividends for the six months ended 30 June 2023 nor to convert the capital reserve fund into share capital.

##### **Profit distribution scheme, plan on increase in share capital by transfer from capital reserve prepared for the half year**

Any distribution or transfer	No
Number of bonus shares to be distributed for every ten shares ( <i>shares</i> )	/
Amount of dividends to be distributed for every ten shares ( <i>RMB</i> ) (inclusive of tax)	/
Number of shares to be transferred into share capital for every ten shares ( <i>shares</i> )	/
Explanation on plan for profit distribution and increase in share capital from capital reserve	/

#### 4.8 Plans for the second half of 2023

Acting on the development strategy dubbed “Year of Efficiency and Effectiveness Improvement”, the Group will give priority to the following work in the second half of 2023:

1. To consolidate the development foundation for the Great Southern TCM by enhancing development quality. The Group will continue to participate in the nationwide volume-based drug procurement or volume-based procurement under the inter-provincial medicine alliance. The Group will also seize market opportunities and further develop the channel to promote the development of various business segments such as OTC, the second terminal, the third terminal and e-commerce, etc.. In order to create new growth, greater efforts will be made to enrich the product portfolio, develop more “Diva brands” for different fields by category through separate policies, advance the stimulation of the sleep category and accelerate the cultivation of a number of potential categories. The Group energetically develops specialized active pharmaceutical ingredients (APIs) to strengthen its competitiveness.
2. To push forward the innovation and development of the Great Health. The Group will consolidate the leading position of herbal tea as the principal business and product category, seek to further explore the sales channel with focus on dominant markets, and continuously develop the brand value of “Ji Culture” and increase its market penetration to further occupy the market share. Market foundation will be further broadened for new products by strengthening the tie-in sales mode in which new products under Ci Ning Ji and Li Xiao Ji brands will be sold along with existing popular products. By doing so, the Group aims to improve the market awareness of such new products, thus driving growth in their sales.
3. To boost the transformation of the Great Commerce. The Group will further expand financing channels to improve financing capabilities, and will improve and diversify the product structure and integrate channels to further enhance interactions between purchase and sales. The Group will also grow its footprint in the retail and medical equipment markets by vigorously expanding hospital affiliated pharmacies and DTP professional pharmacies. Digital transformation will be deepened so as to optimize customer management and cost control.
4. To broaden the development space of the Great Medical Care. The Group will further enhance the construction standards for Baiyunshan Hospital, enhance talent recruitment and training, and strengthen clinical research to improve the overall competitiveness of the hospital in an all-round way. The postnatal care center brand of “Baiyunshan Runkang” will be further improved and more product lines will be created to enhance the influence of Baiyunshan brand in the field of medical devices.

5. To pool innovation-related resources to push forward production-research integration, and speed up development of research, technology and quality management. The Group will improve the research efficiency and innovation effectiveness, and optimize quality management system. Based on the existing R&D platform, the Group will establish an advanced research platform system and a first-class quality management system.
6. To tighten up management to effectively control various risks. The Group will promote improvement on both efficiency and effectiveness, and drive steady enhancement in management effectiveness across the Group, thus pushing forward high-quality development of the Group.

**4.9 During the Reporting Period, the Company or any of its subsidiaries did not purchase, sell, repurchase or cancel any of the Company’s listed shares. The Company did not have material acquisition or disposal of any subsidiaries, associates or joint ventures.**

#### **4.10 Corporate governance**

During the Reporting Period, the Company complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules of HKEX (“CG Code”).

The Board will keep monitoring and reviewing the Company’s corporate governance practices to ensure compliance with the provisions of the CG Code.

#### **4.11 Model Code for securities transactions by directors and supervisors**

The Company has adopted the Model Code and “Measures for the Administration of Trading Shares of the Company by Directors, Supervisors and Senior Management Personnel” of the Company as stipulated by the Company as the codes and criteria for securities transactions by the directors and supervisors of the Company. After making specific inquiries to all the Directors and Supervisors, the Company confirmed that its Directors and Supervisors have fully complied with the standards relating to directors’ and supervisors’ dealing in securities as set out in the above codes and criteria during the Reporting Period.

**4.12** The audit committee under the ninth session of the Board comprised four independent non-executive directors and one of them has obtained accounting professional qualifications. The audit committee of the Company had reviewed the Group’s accounting principles, accounting standards and methods as well as discussed the audit affairs, risk management, internal controls and financial report with the management, including the unaudited interim report for the six months ended 30 June 2023. The audit committee had no disagreements with the accounting treatment adopted by the Company.

#### 4.13 Changes in directors, supervisors and senior management of the Company during the Reporting Period

Applicable    Not Applicable

<b>Name</b>	<b>Position</b>	<b>Circumstances for the Changes</b>
Wong Hin Wing	Independent non-executive director	Retirement
Wang Weihong	Independent non-executive director	Retirement
Wong Lung Tak Patrick	Independent non-executive director	Election
Sun Baoqing	Independent non-executive director	Election

#### *Explanation on changes in directors, supervisors and senior management of the Company*

Applicable    Not Applicable

At the 2022 annual general meeting held on 30 May 2023, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing were elected as the independent non-executive directors of the ninth session of the Board and their term of office commenced from the date of appointment up to the date on which members of the new session of the Board are elected. On the same date, Mr. Wong Hin Wing and Ms. Wang Weihong retired upon expiry of their terms of office since they had been acting as independent non-executive directors in two consecutive sessions of the Board.

In accordance with Rule 13.51(B)(1) of the Listing Rules of HKEX, the details of the changes in information of Directors and Supervisors after the publication of the annual report for the year ended 31 December 2022 are set out below:

<b>Name of Directors</b>	<b>Details of the changes</b>
Wong Lung Tak Patrick	Retired as an independent non-executive director of C C Land Holdings Limited in May 2023. Appointed as an independent non-executive director of Cross-Harbour (Holdings) Limited in May 2023.

4.14 As at the end of the Reporting Period, the number of employees on the payroll register of the Group was 23,493. The total salary payment of the Group for the first half of 2023 was approximately RMB2.050 billion.



#### 4.15 Others

Applicable     Not Applicable

The Company held the 26th meeting of the seventh session of the Board on 10 September 2019, at which the Resolution on Approving Guangzhou Pharmaceuticals Corporation, a subsidiary of the Company, to Conduct Asset-backed Securitization was considered and approved, and it agreed GP Corp. to conduct asset backed securitization of accounts receivable. The above-mentioned resolution was considered and approved at the second extraordinary general meeting of shareholders in 2019 held by the Company on 12 November 2019.

GP Corp. issued Xingye Yuanrong-GP Corp. phase II Special Asset Support Plan for Accounts Receivable (“Phase 2 Special Plan”) on 10 September 2021, with an effective amount of RMB1 billion during the fundraising period. After its establishment, it filed in accordance with relevant regulations and requirements of relevant regulatory authorities. On 1 February 2023, the book value of accounts receivable sold by GP Corp. was RMB0.314 billion, the received purchase value was RMB0.312 billion. The Phase 2 Special Plan expired on 8 May 2023, and has been liquidated as of now.

The Company held the 24th meeting of the eighth session of the Board on 22 November 2022, at which the Resolution on Guangzhou Pharmaceuticals Company Limited, a controlled subsidiary of the Company, to Conduct Asset-backed Securitization of Accounts Receivable was considered and approved, and it agreed GP Corp. to conduct asset-backed securitization of accounts receivable. The above-mentioned resolution was considered and approved at the first extraordinary general meeting of shareholders in 2022 held by the Company on 16 December 2022.

GP Corp. issued Xingye Yuanrong-GP Corp. phase III Special Asset Support Plan for Accounts Receivable (“Phase 3 Special Plan”) on 20 March 2023, the issuance scale is RMB1 billion. As at 30 June 2023, the book value of accounts receivable of GP Corp. Phase 3 Special Plan amounted to RMB1.284 billion, the purchase value received by GP Corp. amounted to RMB1.270 billion. The proceeds generated would be applied to supplement the working capital of the GP Corp. For details, please refer to the announcements of the Company dated 19 April 2023 and 10 May 2023 published on the websites of the SSE and the HKEX.

## 5. FINANCIAL REPORTS

### 5.1 Financial statements prepared in accordance with the China Accounting Standards for Business Enterprises

(All amounts in Renminbi yuan unless otherwise stated)

#### Consolidated Balance Sheet

Item	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Current assets:</b>			
Cash at bank and on hand		20,885,970,650.47	22,499,552,770.75
Financial assets held for trading		56,872,680.00	56,872,680.00
Derivative financial assets		–	–
Notes receivable		1,073,075,075.44	1,127,351,252.18
Accounts receivable	5.1.3	16,102,516,428.17	14,857,591,768.49
Accounts receivable financing		3,195,363,578.01	3,182,767,002.04
Advances to suppliers		566,753,553.82	836,054,949.33
Other receivables		895,098,281.77	917,243,401.47
Including: Interest receivable		–	–
Dividends receivable		45,395,204.00	218,766,959.00
Inventories		9,162,561,183.07	10,671,572,518.76
Contract assets		–	–
Assets held for sales		–	–
Current portion of non-current assets		601,895,696.46	653,115,558.10
Other current assets		1,280,051,830.88	2,262,189,612.17
<b>Total current assets</b>		<b>53,820,158,958.09</b>	<b>57,064,311,513.29</b>

Item	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Non-current assets:</b>			
Debt investment		4,484,461,266.69	3,164,498,751.59
Other debt investment		-	-
Long-term receivables		-	-
Long-term equity investment		1,827,039,294.01	1,584,063,326.22
Other equity instrument investment		105,616,019.24	109,569,842.38
Other non-current financial assets		1,012,050,079.42	1,038,818,757.16
Investment properties		133,295,788.06	206,705,464.62
Fixed assets		3,883,914,373.77	3,709,183,725.56
Construction in progress		2,151,198,962.01	2,108,326,591.35
Bearer biological assets		2,280,360.00	2,455,065.00
Oil and gas assets		-	-
Right-of-use assets		732,657,342.55	750,159,146.25
Intangible assets		2,629,683,512.39	2,585,098,403.38
Development expenditure		256,043,427.44	240,668,063.93
Goodwill		829,473,066.90	829,473,066.90
Long-term prepaid expenses		178,308,788.74	166,798,201.40
Deferred tax assets		1,103,014,906.44	865,338,772.26
Other non-current assets		458,043,294.11	239,830,085.45
<b>Total non-current assets</b>		<u>19,787,080,481.77</u>	<u>17,600,987,263.45</u>
<b>TOTAL ASSETS</b>		<u><u>73,607,239,439.86</u></u>	<u><u>74,665,298,776.74</u></u>
<b>Current liabilities:</b>			
Short-term borrowings		8,546,921,931.54	8,538,065,161.82
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Notes payable		3,062,972,031.88	3,760,482,808.87
Accounts payable	5.1.4	11,949,167,174.73	11,200,347,828.21
Advances from customers		-	-
Contract liabilities		1,400,377,746.17	5,644,201,576.24
Employee benefits payable		1,077,316,728.29	1,009,349,656.60
Taxes payable		422,347,573.83	375,710,536.16
Other payables		5,245,257,663.37	4,834,860,628.52
Including: Interest payable		-	-
Dividends payable		216,474,922.21	54,681,191.50
Liabilities held for sales		-	-
Current portion of non-current liabilities		884,433,084.72	706,731,706.03
Other current liabilities		<u>460,475,641.22</u>	<u>1,325,366,108.82</u>
<b>Total current liabilities</b>		<u>33,049,269,575.75</u>	<u>37,395,116,011.27</u>

Item	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Non-current liabilities:</b>			
Long-term borrowings		2,913,585,693.67	1,639,203,064.38
Bonds payable		–	–
Lease liabilities		577,752,241.57	545,843,252.45
Long-term payables		20,371,964.60	20,396,504.60
Long-term employee benefits payable		298,364.34	318,220.83
Provisions		45,594,744.48	47,783,187.15
Deferred income		923,889,397.87	930,926,291.01
Deferred tax liabilities		648,184,490.47	394,588,189.23
Other non-current liabilities		53,256,187.85	53,265,976.60
		<u>5,182,933,084.85</u>	<u>3,632,324,686.25</u>
<b>Total non-current liabilities</b>			
		<u>5,182,933,084.85</u>	<u>3,632,324,686.25</u>
<b>Total liabilities</b>		<u>38,232,202,660.60</u>	<u>41,027,440,697.52</u>
<b>Shareholders' equity:</b>			
Share capital		1,625,790,949.00	1,625,790,949.00
Capital surplus		10,105,714,430.90	10,105,714,430.90
Less: Treasury shares		–	–
Other comprehensive income		(13,291,775.46)	(12,900,928.58)
Surplus reserve		2,084,386,972.83	2,084,386,972.83
Undistributed profits		19,883,302,428.91	18,262,133,346.76
		<u>19,883,302,428.91</u>	<u>18,262,133,346.76</u>
Total equity attributable to shareholders of the parent company		33,685,903,006.18	32,065,124,770.91
Minority interest		1,689,133,773.08	1,572,733,308.31
		<u>1,689,133,773.08</u>	<u>1,572,733,308.31</u>
<b>Total shareholders' equity</b>		<u>35,375,036,779.26</u>	<u>33,637,858,079.22</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<u><u>73,607,239,439.86</u></u>	<u><u>74,665,298,776.74</u></u>

## Consolidated Income Statement

Item	Notes	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
<b>1. Operating income</b>	5.1.5	<b>39,970,330,587.93</b>	37,220,450,549.68
Less: Operating costs	5.1.5	<b>31,645,497,412.24</b>	29,515,378,779.95
Taxes and surcharges		<b>173,845,071.46</b>	159,605,764.96
Selling and distribution expenses		<b>3,263,109,748.52</b>	3,185,948,061.06
General and administrative expenses		<b>1,199,468,387.87</b>	1,067,964,512.35
R&D expenses		<b>400,573,995.79</b>	441,319,390.36
Financial expenses		<b>(39,681,640.87)</b>	(129,433,504.39)
Including: Interest expenses		<b>225,453,050.91</b>	207,955,559.92
Interest income		<b>270,967,777.04</b>	354,817,498.21
Add: Other income		<b>81,323,507.16</b>	319,246,813.47
Investment income		<b>176,422,078.39</b>	55,355,804.65
Including: Income from investments in associates and joint ventures		<b>72,049,845.07</b>	66,721,169.39
Gains on termination of financial assets measured at amortised cost		<b>(5,870,048.86)</b>	–
Gains from changes in fair value		<b>44,053,710.42</b>	(952,231.74)
Impairment losses in respect of credit		<b>(100,488,916.74)</b>	(20,540,257.06)
Impairment losses in respect of assets		<b>4,021,314.75</b>	(1,339,343.47)
Gains on disposal of assets		<b>439,942.15</b>	554,973.05
<b>2. Operating profit</b>		<b>3,533,289,249.05</b>	3,331,993,304.29
Add: Non-operating income		<b>9,161,401.77</b>	9,609,130.75
Less: Non-operating expenses		<b>9,759,081.36</b>	9,369,794.70
<b>3. Total profit</b>		<b>3,532,691,569.46</b>	3,332,232,640.34
Less: Income tax expenses	5.1.6	<b>610,948,519.48</b>	583,300,834.15
<b>4. Net profit</b>		<b>2,921,743,049.98</b>	2,748,931,806.19

Item	<i>Notes</i>	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
(1) Classified by the continuity of operations			
A. Net profit from continuing operations		2,921,743,049.98	2,748,931,806.19
B. Net profit from discontinued operations		–	–
(2) Classified by ownership of the equity			
A. Net profit attributable to the parent company's shareholders		2,811,248,056.83	2,589,996,058.70
B. Minority interest		110,494,993.15	158,935,747.49
<b>5. Other comprehensive income, net of tax</b>		<b>(501,345.28)</b>	4,550,379.61
Other comprehensive income, net of tax attributable to the parent company's shareholders		<b>(390,846.88)</b>	5,365,156.87
(1) Other comprehensive income that will not be reclassified to profit or loss		<b>(5,280,975.02)</b>	(174,219.35)
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. Change in fair value of other equity instrument investment		<b>(5,280,975.02)</b>	(174,219.35)
D. Change in fair value of the company's own credit risk		–	–
E. Others		–	–
(2) Other comprehensive income that may be reclassified into profit or loss		<b>4,890,128.14</b>	5,539,376.22
A. Other comprehensive income that may be reclassified to profit or loss under equity method		–	–
B. Change in fair value of other debt investment		<b>(4,122,818.96)</b>	(2,786,826.92)

Item	<i>Notes</i>	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
C. Gains and losses arising from changes in fair value of available-for-sale financial assets			
D. The amount of financial assets reclassified into other comprehensive income		-	-
E. Gains and losses arising from reclassification of held-to-maturity investment to available-for-sale financial assets		-	-
F. Provision for credit loss of other debt investment		3,015,878.54	612,802.38
G. Cash flow hedge reserve		-	-
H. Difference arising from the translation of foreign currency financial statements		5,997,068.56	7,713,400.76
I. Others		-	-
Other comprehensive income, net of tax attributable to minority shareholders		(110,498.40)	(814,777.26)
<b>6. Total comprehensive income</b>		<b><u>2,921,241,704.70</u></b>	<b><u>2,753,482,185.80</u></b>
(1) Total comprehensive income attributable to shareholders of the parent company		2,810,857,209.95	2,595,361,215.57
(2) Total comprehensive income attributable to minority shareholders		110,384,494.75	158,120,970.23
<b>7. Earnings per share (EPS):</b>			
(1) Basic earnings per share	<i>5.1.7</i>	1.729	1.593
(2) Diluted earnings per share	<i>5.1.7</i>	1.729	1.593

### ***5.1.1 Basis of preparation of financial statements***

#### *(1) Basis of preparation*

The financial statements are prepared, on a going concern basis, to recognize and measure the transactions and events, which have occurred, in accordance with the Accounting Standards for Business Enterprises–Basic Standard, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance on and subsequent to 15 February 2006 (hereinafter collectively referred to as “ASBE”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15–General provisions on Financial Reporting issued by the China Securities Regulatory Commission. The financial statements also comply with the applicable disclosure provisions of the securities listing rules issued by HKEX and the applicable disclosure provisions of the Hong Kong Companies Ordinance.

#### *(2) Going concern*

The Group has the ability to continue as a going concern in the next 12 months since the end of the Reporting Period. There is no material events that may cause significant doubt upon the Group’s ability to continue as a going concern.

### ***5.1.2 Information of Segments***

With the strategic management and business development, the Group basically completed the industrial chain layout and internal structure of 4 sectors in 2015, including “Great Southern TCM”, “Great Commerce”, “Great Health”, “Great Medical Care”. According to the requirements of regulatory laws, regulations and company management, four major sectors are identified as operating segments. As the business scale of “Great Medical Care” is lower than 10%, this segment is temporarily listed in “Others” column. Segment information is as follows:

- Great Southern TCM segment: research, development, manufacturing and sales for Chinese and Western medicine, chemical raw medicine, natural drug, biological medicine and intermediates of chemical raw medicine;
- Great Health segment: research, development, manufacturing and sales for the products of Great Health;



- Great Commerce segment: wholesale, retail, import and export for Western medicine, Chinese medicine and medical apparatus and instruments.

Price transfer between segments is carried out in accordance with the price policy of sales to third party.

Assets and liabilities are allocated based on the segment operations expenses attributable indirectly to each segment are allocated among segments based on the portion of revenue.

(1) The segment information for the 6 months ended 30 June 2023 and as of 30 June 2023 is as follows:

	Great		Offset			Total
	Southern TCM	Great Health	Great Commerce	Other	between segments	
External revenue	6,349,014,552.18	7,053,172,463.96	26,307,441,904.05	260,701,667.74	-	39,970,330,587.93
Inter-segment revenue	91,591,836.40	21,934,035.22	3,805,173,466.40	220,638,386.19	(4,139,337,724.21)	-
Interest income	(44,090,443.99)	(143,052,032.48)	(25,830,411.60)	(57,994,888.97)	-	(270,967,777.04)
Interest expenses	8,166,736.09	9,794,625.51	201,391,240.56	6,986,501.20	(886,052.45)	225,453,050.91
Income from investments in associates and joint ventures	(753,966.18)	-	(140,786.49)	72,833,080.53	111,517.21	72,049,845.07
Impairment losses in respect of credit	(2,909,506.76)	(45,628.63)	(100,606,111.58)	(2,302,466.40)	5,374,796.63	(100,488,916.74)
Impairment losses in respect of assets	8,173,781.25	-	511,160.00	1,057.60	(4,664,684.09)	4,021,314.75
Depreciation and amortization expenses	152,230,749.46	30,317,136.38	240,242,244.12	33,845,196.59	81,106,000.94	537,741,327.49
Total profit	1,145,709,080.52	1,599,453,118.00	415,266,526.80	435,766,436.16	(63,503,592.02)	3,532,691,569.46
Total assets	18,485,649,757.95	14,602,791,751.16	35,898,115,807.03	27,357,330,941.29	(22,736,648,817.57)	73,607,239,439.86
Total liabilities	8,965,732,513.86	4,712,077,067.35	28,427,575,692.08	6,718,299,094.48	(10,591,481,707.17)	38,232,202,660.60
Long-term equity investment in associates and joint ventures	40,412,705.45	-	17,014,846.89	1,769,611,741.67	-	1,827,039,294.01
Increase in other non-current assets excluding long-term equity investment	619,048,887.57	144,051,081.68	244,403,553.58	120,647,783.24	-	1,128,151,306.07

- (2) The segment information for the 6 months ended 30 June 2022 and as of 31 December 2022 is as follows:

	Great				Offset	
	Southern TCM	Great Health	Great Commerce	Other	between segments	Total
External revenue	5,992,779,202.02	6,531,891,316.23	24,443,088,185.38	252,691,846.05		37,220,450,549.68
Inter-segment revenue	2,348,866,077.02	42,814,258.07	2,671,336,571.82	210,165,303.22	(5,273,182,210.13)	
Interest income	(63,432,933.66)	(211,811,539.05)	(19,891,663.98)	(59,681,361.52)		(354,817,498.21)
Interest expenses	11,250,612.94	964,644.66	192,692,739.08	8,203,175.25	(5,155,612.01)	207,955,559.92
Income from investments in associates and joint ventures	(13,591,223.80)	-	1,866,373.07	78,286,529.53	159,490.59	66,721,169.39
Impairment losses in respect of credit	(973,192.04)	(4,336.62)	(21,899,244.84)	(2,009,297.20)	4,345,813.64	(20,540,257.06)
Impairment losses in respect of assets	5,390,627.88	-	(2,939,674.97)	(92,941.04)	(3,697,355.35)	(1,339,343.47)
Depreciation and amortization expenses	131,516,897.23	27,347,323.28	202,344,329.83	26,500,663.26	(8,621,072.23)	379,088,141.37
Total profit	1,102,462,461.87	1,573,915,877.04	313,822,120.02	402,506,737.68	(60,474,556.27)	3,332,232,640.34
Total assets	18,236,142,617.72	17,113,111,182.50	33,470,568,294.10	26,052,900,241.19	(20,207,423,558.77)	74,665,298,776.74
Total liabilities	9,413,738,019.32	8,480,310,571.59	26,387,957,976.98	5,639,127,817.87	(8,893,693,688.24)	41,027,440,697.52
Long-term equity investment in associates and joint ventures	41,166,671.63	-	92,055,098.47	1,450,841,556.12	-	1,584,063,326.22
Increase in other non-current assets excluding long-term equity investment	940,310,775.29	235,155,163.81	510,243,580.60	276,231,371.03	-	1,961,940,890.73

The Group's total revenue from external customers in the PRC and other countries/regions, and the total non-current assets other than financial assets and deferred tax assets located in the PRC and other countries/regions are summarized as follows:

<b>External revenue</b>	<b>January to June of 2023</b>	<b>January to June of 2022</b>
PRC	<b>39,805,988,606.97</b>	37,211,864,540.49
Other countries/regions	<b>164,341,980.96</b>	8,586,009.19
	<b><u>39,970,330,587.93</u></b>	<b><u>37,220,450,549.68</u></b>
<b>Total non-current assets</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
PRC	<b>13,069,774,613.45</b>	12,410,020,395.81
Other countries/regions	<b>12,163,596.53</b>	12,740,744.25
	<b><u>13,081,938,209.98</u></b>	<b><u>12,422,761,140.06</u></b>

### 5.1.3 Accounts receivable

The aging analysis of accounts receivable based on booking date is as follows:

	<b>30 June 2023</b>	31 December 2022
Within 1 year	<b>14,888,993,754.19</b>	14,264,525,699.18
1 to 2 years	<b>1,390,651,405.28</b>	775,311,306.02
2 to 3 years	<b>197,119,113.27</b>	113,372,003.93
3 to 4 years	<b>37,563,997.16</b>	30,258,600.43
4 to 5 years	<b>14,434,991.47</b>	36,224,266.27
Over 5 years	<b>242,737,079.71</b>	212,044,861.90
	<hr/>	<hr/>
Less: Provision for bad debts	<b>668,983,912.91</b>	574,144,969.24
	<b>16,102,516,428.17</b>	14,857,591,768.49
	<hr/> <hr/>	<hr/> <hr/>

### 5.1.4 Accounts payable

The aging analysis of accounts payable based on booking date is as follows:

	<b>30 June 2023</b>	31 December 2022
Within 1 year	<b>11,503,260,882.47</b>	10,815,708,160.32
Over 1 year	<b>445,906,292.26</b>	384,639,667.89
	<hr/>	<hr/>
	<b>11,949,167,174.73</b>	11,200,347,828.21
	<hr/> <hr/>	<hr/> <hr/>

### 5.1.5 Operating income and Operating costs

	<b>For the 6 months ended 30 June 2023</b>		
	Main businesses	Other businesses	Subtotal
Operating income	<b>39,832,673,959.84</b>	<b>137,656,628.09</b>	<b>39,970,330,587.93</b>
Operating costs	<b>31,621,172,922.54</b>	<b>24,324,489.70</b>	<b>31,645,497,412.24</b>
	<hr/>	<hr/>	<hr/>
Gross profit	<b>8,211,501,037.30</b>	<b>113,332,138.39</b>	<b>8,324,833,175.69</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>For the 6 months ended 30 June 2022</b>		
	Main businesses	Other businesses	Subtotal
Operating income	37,083,607,401.14	136,843,148.54	37,220,450,549.68
Operating costs	29,490,095,477.77	25,283,302.18	29,515,378,779.95
	<hr/>	<hr/>	<hr/>
Gross profit	7,593,511,923.37	111,559,846.36	7,705,071,769.73
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 5.1.6 Income tax expenses

	<b>For the 6 months ended 30 June 2023</b>	For the 6 months ended 30 June 2022
Current income tax expenses	<b>593,690,602.71</b>	599,691,171.36
Deferred income tax expenses	<b>17,257,916.77</b>	(16,390,337.21)
	<b><u>610,948,519.48</u></b>	<b><u>583,300,834.15</u></b>

Income tax expenses derived from reconciliation of income tax calculated by applicable tax rate based on total profit in the consolidated income statement:

	<b>For the 6 months ended 30 June 2023</b>
Total profit	<b><u>3,532,691,569.46</u></b>
Income tax calculated at statutory rate	<b><u>529,903,735.41</u></b>
Tax effect of different rates applicable to subsidiaries in the scope of consolidation	<b>58,903,087.30</b>
Effect of income tax adjustment for prior period	<b>6,024,840.65</b>
Non-taxable and tax relief income	<b>(15,855,073.23)</b>
Non-deductible costs, expenses and losses	<b>9,907,043.40</b>
Effect of using deductible losses of deferred tax assets unrecognized in prior period	<b>(751,343.23)</b>
Effect of deductible temporary differences and deductible losses which are not recognized in current period	<b>37,218,734.36</b>
Tax effect of R&D expenditure deduction	<b><u>(14,402,505.18)</u></b>
Income tax expenses	<b><u>610,948,519.48</u></b>

According to the state's relevant tax preferential policies for high/new technology enterprises, qualified high/new technology enterprises can enjoy preferential corporate income tax policies and pay corporate income tax at a reduced rate of 15%.

The subsidiaries of the Group, which have obtained the Certificates of High/New Technology Enterprises, can enjoy preferential tax rate of 15% for current period, which including: the Company (No. GR202044005583), Xing Qun (No. GR202044001705), Zhong Yi (No. GR202044006988), Guangzhou Baiyunshan Chen Li Ji Pharmaceutical

Factory Company Limited (No. GR202044002810), Guangzhou Han Fang (No. GR202044003115), Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd. (NO. GR202044000117), Guangzhou Baiyunshan Jing Xiu Tang Pharmaceutical Co., Ltd. (No. GR202044006124), Pan Gao Shou (No. GR202044002092), Guangzhou Wang Lao Ji Pharmaceutical Co.,Ltd. (No. GR202044006736), WLJ Great Health (No. GR202244003684), Guangzhou Baiyunshan Tian Xin Pharmaceutical Co., Ltd. (No. GR202044001663), Guangzhou Baiyunshan Guang Hua Pharmaceutical Co., Ltd., (No. GR202144001816), Guangzhou Baiyunshan Ming Xing Pharmaceutical Co., Ltd. (No. GR202044000339), Guangzhou Pharmaceutical Research General Institute (No. GR GR202144002939), Guangxi Baiyunshan Yingkang Pharmaceutical Company Limited (No. GR202145001254), Baiyuanshan Weiling Pharmaceutical Co., Ltd. (No. GR202244012147).

Hainan Guangyao Chen Fei Pharmaceutical Co., Ltd., Guangyao (Zhuhai Hengqin) pharmaceutical Import and Export Co., Ltd., and Guizhou Wanglaoji Cilinji Industry Development Co., Ltd. enjoy tax incentives for encourage industries, and paid enterprise income tax at a reduced rate of 15% in 2023.

### **5.1.7 Earnings per share (EPS)**

#### *(a) Basic EPS*

##### (i) Weighted average basic EPS

Weighted average basic EPS is calculated by dividing the portion of net consolidated profit, which is attributable to the ordinary shareholders of the parent company, by the number of weighted average outstanding ordinary shares:

	<b>For the 6 months ended 30 June 2023</b>	For the 6 months ended 30 June 2022
Net consolidated profit attributable to ordinary shareholders of the parent company	<b>2,811,248,056.83</b>	2,589,996,058.70
The number of weighted average outstanding ordinary shares at the period end	<b>1,625,790,949</b>	1,625,790,949
Weighted average basic EPS	<b><u>1.729</u></b>	<u>1.593</u>

(ii) EPS based on the number of shares as at the period end

EPS based on the number of shares as at the period end is calculated by dividing the portion of net consolidated profit, which is attributable to the ordinary shareholders of the parent company, by the number of outstanding ordinary shares as at the period end:

	<b>For the 6 months ended 30 June 2023</b>	For the 6 months ended 30 June 2022
Net consolidated profit attributable to ordinary shareholders of the parent company	<b>2,811,248,056.83</b>	2,589,996,058.70
The number of outstanding ordinary shares as at the period end	<u><b>1,625,790,949</b></u>	<u>1,625,790,949</u>
EPS based on the number of shares as at the period end	<u><b>1.729</b></u>	<u>1.593</u>

*(b) Diluted EPS*

Diluted EPS is calculated by dividing the portion of net consolidated profit of dilutive potential ordinary shares, which are attributable to the ordinary shareholders of the parent company after adjustment to ordinary shares, by the number of weighted average outstanding ordinary shares. For the January to June of 2023, the Company had no dilutive potential ordinary share (January to June of 2022: nil). The diluted EPS is equal to basic EPS.

**5.1.8 Dividends**

According to the resolution of the 2022 annual general meeting held on 30 May 2023, the Company shall pay cash dividends to all shareholders at RMB0.732 per share (tax included), which is RMB1,190,078,974.68 in total, based on the outstanding shares of 1,625,790,949 shares at the year ended of 2022.

## ***5.2 Changes in accounting policies compared to the previous annual report.***

The Ministry of Finance issued the “Interpretation No. 16 of the Accounting Standards for Business Enterprises” (hereinafter referred to as “Interpretation No. 16”) on November 30, 2022. It regulates the accounting treatment of deferred income tax related to assets and liabilities arising from a single transaction for which the initial recognition exemption is not applicable.

- ① Accounting treatment of deferred income tax not applicable to initial recognition exemption for assets and liabilities arising from a single transaction

Interpretation 16 stipulates that for individual transactions that do not affect accounting profit or taxable income (or deductible losses) and that do not result in temporary differences between the initial recognition of assets and liabilities and do not generate temporary differences that are deductible, as well as for individual transactions that lead to temporary differences and deductible temporary differences due to the initial recognition of assets and liabilities, which arise from lease transactions in which a lessee initially recognizes a lease liability on the commencement date of the lease and includes the right-of-use asset in the lease, and transactions in which an obligation to dispose of assets exists, and a provision is recognized and included in the cost of the related asset, and other transactions falling within the scope of this interpretation, the provisions of Article 11(2) and Article 13 of Accounting Standard for Enterprises No. 18, “Income Taxes,” regarding exemption from the initial recognition of deferred tax liabilities and deferred tax assets do not apply. Enterprises should recognize the corresponding deferred tax liabilities and deferred tax assets in accordance with the relevant provisions of Accounting Standard for Enterprises No. 18, “Income Taxes,” for the temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities due to the transaction.

For individual transactions falling within the scope of this interpretation that occurred between the beginning of the earliest period reported in the financial statements during the initial implementation of this interpretation and the effective date of this interpretation, enterprises should make adjustments in accordance with the provisions of this interpretation. For lease liabilities and right-of-use assets recognized due to transactions falling within the scope of this interpretation and recognized obligations related to obligations to dispose of assets, as well as related assets generating temporary differences and deductible temporary differences recognized in the earliest period reported in the financial statements during the initial implementation of this interpretation, enterprises should adjust the accumulated impact amount in accordance with the provisions of this interpretation and Accounting Standard for Enterprises No. 18, “Income Taxes,” and retain earnings at the beginning of the earliest period reported in the financial statements and other relevant financial statement items. Enterprises performing such adjustments should disclose relevant information in the notes to the financial statements.

The impact of the implementation of Interpretation 16 on this group is as follows:

Item	Consolidated Balance Sheet		
	Balance as of December 31, 2022 before accounting policy change (RMB'000)	Impact of Interpretation 16 Adjustment (RMB'000)	Balance as of January 1, 2023 after accounting policy change (RMB'000)
Deferred Tax Assets	865,339	214,363	1,079,602
Deferred Tax Liabilities	394,588	214,263	608,851

The change in accounting policy did not have significant impact on the Company's financial position, operating result and cash flow in the current period.

**5.3 No change in accounting estimates and accounting methods compared to the previous annual report.**

**5.4 No correction for significant accounting errors in the current reporting period.**

**5.5 Explanation on change in consolidation scope compared to the previous annual report.**

*5.5.1 Other reasons for changes in the scope of consolidation*

Compared to the previous year, during the current period, the consolidated Group experienced an increase of 3 new subsidiaries due to other reasons and a decrease of 1 subsidiary. The reasons for these changes are as follows:

- (1) In February 2023, the Company established Guangzhou Baiyunshan Hejigong Pharmaceutical Co., Ltd. with a registered capital of RMB66,000,000. The Company's contribution of capital from the company accounted for 100% of the registered capital.
- (2) In February 2023, a holding subsidiary of the Company, Guangzhou Pharmaceutical Corporation established "Guangzhou Pharmaceutical (Shaoguan) Pharmaceutical Co., Ltd." with a registered capital of RMB5,000,000. The contribution of capital from Pharmaceutical Corporation accounted for 100% of the registered capital.
- (3) In April 2023, a holding subsidiary of the Company, Guangzhou Pharmaceutical Corporation established Guangzhou Pharmaceutical Logistics Co., Ltd. with a registered capital of RMB20,000,000. The contribution of capital from Pharmaceutical Corporation accounted for 100% of the registered capital.



- (4) In February 2023, a holding subsidiary of the Company, Guangzhou Pharmaceutical Corporation dissolved its subsidiary Hubei Guangyao Ankang Pharmaceutical Co., Ltd.

***5.6 There is no explanation from the Board or the Supervisory Committee on audit reports with modified opinion issued by the auditors for the Reporting Period.***

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

Guangzhou, the PRC, 18 August 2023

*As at the date of this announcement, the Board comprises Mr. Li Chuyuan, Mr. Yang Jun, Ms. Cheng Ning, Ms. Liu Juyan, Mr. Zhang Chunbo, Mr. Wu Changhai and Mr. Li Hong as executive Directors, and Mr. Chen Yajin, Mr. Huang Min, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing as independent non-executive Directors.*