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廣州白雲山医药集团股份有限公司

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: 00874)

SUMMARY OF THE 2025 INTERIM REPORT

1. IMPORTANT NOTICE

- 1.1** This summary is extracted from the full text of the 2025 interim report of the Company for the six months ended 30 June 2025. Investors who wish to know more details are advised to read in detail the full text of the 2025 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 (https://www.hkexnews.hk/index_c.htm).
- 1.2** The Board, 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** As at the date of this announcement, the Board comprises, Mr. Li Xiaojun, Ms. Cheng Ning, Mr. Cheng Hongjin, Mr. Tang Heping 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. All of the Directors were present at the 28th meeting of the ninth session of the Board, at which, independent non-executive Directors Mr. Chen Yajin, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing attended the meeting by telephone.
- 1.4** Profit distribution plan or plan of carrying over reserved funds to equity shares during the Reporting Period as considered by the Board

The Board of the Company has resolved to distribute profits based on the total number of issued shares registered on the record date for the equity distribution, and to pay an interim cash dividend of RMB0.40 per share (inclusive of tax) to all shareholders. As of 30 June 2025, the total number of issued shares of the Company is 1,625,790,949, resulting in a total proposed cash dividend of RMB650,316,379.60 (inclusive of tax). No bonus shares will be issued, and no capital reserve will be converted into share capital on this occasion. For further details of the relevant arrangements regarding the payment of the interim dividend, including, without limitation, the exchange rate of RMB to HKD, the withholding of tax, the payment date and the record date in respect of the interim dividend, please refer to the Company's relevant announcement dated 15 August 2025.

- 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 and were unaudited.
- 1.6** All information required to be contained in the summary of the 2025 interim report of the Company pursuant to paragraph 46 of Appendix D2 to the Listing Rules of HKEX shall be published on the website of HKEX (https://www.hkexnews.hk/index_c.htm).
- 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	1 January 2025 to 30 June 2025
Group	the Company and its subsidiaries
Board	the board of directors of the Company
Director(s)	director(s) of the Company
Supervisory Committee	the supervisory committee of the Company
Supervisor(s)	supervisor(s) of the Company
Audit Committee	the audit committee under the Board
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), the controlling shareholder of the Company
Zhong Yi	Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited (廣州白雲山中一藥業有限公司), the subsidiary of the Company
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), the subsidiary of the Company
WLJ Great Health	Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司), the subsidiary of the Company
GP Corp.	Guangzhou Pharmaceuticals Company Limited (廣州醫藥股份有限公司), the subsidiary of the Company
Cai Zhi Lin	Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd. (廣州采芝林藥業有限公司), the subsidiary of the Company
Baiyunshan Biological	Guangzhou Baiyunshan Biological Products Co., Ltd. (廣州白雲山生物製品股份有限公司), the subsidiary of the Company
Guangyao Baiyunshan Hong Kong Company	Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司), the subsidiary of the Company
Wang Lao Ji	Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd. (廣州王老吉藥業股份有限公司), the subsidiary of the Company
Cai Shan Tang	Fujian Baiyunshan Caishantang Pharmaceutical Co., Ltd.(福建白雲山采善堂制藥有限公司), the subsidiary of Wang Lao Ji
Guangyao Group (Macau) Company	Guangyao Group (Macau) International Development Industry Co., Ltd. (廣藥集團(澳門)國際發展產業有限公司), the subsidiary of GPHL
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))
S2B2C	the English abbreviation of Suppliers to Business to Customers, a one-stop service system that spans from industry to commerce to end users, directly reaching individual consumers
ERP	the English abbreviation of Enterprise Resource Planning, a management platform based on information technology that provides decision-making and operational tools for enterprise decision-makers and employees through systematic management concepts
SPD	the English abbreviation for Supply Processing Distribution. Medical SPD supply chain management is a typical lean management model developed under the guidance of supply chain integration principles. Its mission is to ensure the quality and safety of medical consumables within the hospital and to meet clinical needs. It leverages logistics information technology as its foundation, employs specialized management of each operational phase as means, and prioritizes the strengthening of comprehensive oversight by the hospital's medical supplies management department over the entire process, as well as the coordination of external and internal demands; thereby establishing a centralized management model for the logistics of medical supplies within the hospital, encompassing supply, processing, and distribution
Drug Registration	the approval process conducted by the drug regulatory authority in accordance with statutory procedures, which systematically evaluates the safety, efficacy, and quality controllability of a drug intended for market launch, and decides whether to approve the conduct of clinical trials, the production of the drug, or the importation of the drug. This process also includes the approval of applications for changes to the drug approval certificate and the contents specified in its attachments
NEEQ	the National Equities Exchange and Quotations (全國中小企業股份轉讓系統)

3. COMPANY PROFILE

3.1 Company profile

Stock abbreviation:	BAIYUNSHAN	
Stock code:	600332 (A Share)	
Stock exchange:	SSE	
Stock abbreviation:	BAIYUNSHAN PH	
Stock code:	00874 (H Share)	
Stock exchange:	HKEX	
	Secretary to the Board	Representative of securities affairs
Name	Huang Xuezhen	Huang Ruimei
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E-mail	huangxz@gybys.com.cn	huangrm@gybys.com.cn
Internet website	http://www.gybys.com.cn	
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

Principal financial data	The Reporting Period (Unaudited)	The corresponding period of 2024 (Unaudited)	Changes as compared with the corresponding period of 2024 (%)
Operating revenue (<i>RMB</i>)	41,834,546,114	41,042,815,088	1.93
Total profit (<i>RMB</i>)	3,090,416,329	3,229,403,377	(4.30)
Net profit attributable to the shareholders of the Company (<i>RMB</i>)	2,516,140,987	2,549,565,302	(1.31)
Net profit attributable to the shareholders of the Company after deducting non-recurring items (<i>RMB</i>)	2,205,589,254	2,340,832,630	(5.78)
Net cash flow from operating activities (<i>RMB</i>)	(3,397,136,268)	(2,036,740,495)	(66.79)
Net cash flow from operating activities per share (<i>RMB/share</i>)	(2.09)	(1.25)	(66.79)
Principal financial data	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)	Changes as compared with 31 December 2024 (%)
Net assets attributable to the shareholders of the Company (<i>RMB</i>)	37,760,172,340	35,904,527,869	5.17
Total assets (<i>RMB</i>)	82,419,655,052	81,683,611,521	0.90
Equity attributable to the shareholders of the Company per share (<i>RMB/share</i>)	23.23	22.08	5.17

Principal financial indicators	The Reporting Period (Unaudited)	The corresponding period of 2024 (Unaudited)	Changes as compared with the corresponding period of 2024 (%)
Basic earnings per share (<i>RMB/share</i>)	1.548	1.568	(1.31)
Diluted earnings per share (<i>RMB/share</i>)	1.548	1.568	(1.31)
Basic earnings per share after deducting non-recurring items (<i>RMB/share</i>)	1.357	1.440	(5.78)
Ratio of weighted average return on net assets (%)	6.77	7.04	A decrease of 0.27 percentage point
Ratio of weighted average return on net assets after deducting non-recurring items (%)	5.93	6.47	A decrease of 0.54 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

The year-on-year decrease in net cash flow from operating activities was due to a decline in the collection of accounts receivables by subsidiaries of the Company and an increase in the amount of procurement payments during the Reporting Period.

3.3 The top ten shareholders of the Company

Total number of shareholders as at the end of the Reporting Period	85,550
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	Overseas legal person	13.52	219,783,142	0	0
GZ Chengfa	Others	4.16	67,576,183	0	0
China Securities Finance Corporation Limited	State-owned legal person	2.91	47,277,962	0	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.49	40,448,057	0	0
GZ Chan Tou	State-owned legal person	1.04	16,831,252	0	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-Traded Open-End Index Securities Investment Fund	Others	0.78	12,635,910	0	0
China Construction Bank Corporation – E Fund CSI 300 Medicine and Health Trading Open Index Securities Investment fund	Others	0.71	11,524,283	0	0
China Construction Bank Corporation – E Fund CSI 300 Trading Open Index Initiation Securities Investment fund	Others	0.55	8,936,628	0	0
China AMC – Agricultural Bank – Huaxia China Securities Financial Asset Management Plan	Others	0.54	8,795,136	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 shareholders, or whether they were persons acting in concert as provided in the “Measures for the Administration of Acquisition of Listed Companies”.

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

Not Applicable

3.4 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

3.5 Information on change in controlling shareholders or beneficial owners

☐ Applicable ☒ Not applicable

3.6 Information of bonds remaining on the approval date of the interim report

☐ Applicable ☒ Not applicable

4. MAJOR EVENTS

4.1 Management discussion and analysis

In the first half of 2025, the Group strictly adhered to its strategic positioning in biopharmaceuticals and healthcare, leveraging industry advantages to fully explore its own resources and assets, and actively advancing production and operations to promote sustainable business development.

During the Reporting Period, the Group achieved operating revenue of RMB41,834,546,114, representing a year-on-year increase of 1.93%; total profit of RMB3,090,416,329, representing a year-on-year decrease of 4.30%; and net profit attributable to shareholders of the Company of RMB2,516,140,987, representing a year-on-year decrease of 1.31%. The reasons for a decrease in the profit of the Group compared with the same period of last year are mainly due to the decreased operating performance in certain business segments, which was persistently affected by factors including insufficient demand, intensified industry competition and regulatory policies.

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

- (I) Focusing on core responsibilities and businesses, strengthening the pharmaceutical manufacturing industry chain.

Firstly, the Group accelerated the development of its traditional Chinese medicine (TCM) and APIs businesses to solidify the upstream segment of the industry chain. Continued efforts were made to advance the standardization and regulatory compliance of TCM plantation bases, thereby strengthening control over the production and supply of key raw materials. Aligned with its strategy of “stabilizing core products and expanding the portfolio,” the Group further promoted the growth of specialty APIs. Significant progress was achieved in new product development and the steady expansion into international markets. During the Reporting Period, the Group currently operates nearly 80 standardized plantation bases, covering more than 50 varieties of TCM. Sales revenue from specialty APIs, both domestic and overseas, recorded robust year-on-year growth.

Secondly, promoting synergy between pharmaceuticals and healthcare to strengthen the midstream value chain. Centering on pharmaceutical manufacturing, the Group deepened its understanding of industrial policy and reinforced its integrated operational mode of “R&D – marketing – brand management”. We prioritized the cultivation of key flagship products and identification of promising emerging lines, driving sustainable and stable growth in the pharmaceutical segment. During the Reporting Period, the Group delivered strong year-on-year sales growth in products including Baoji Series, Anti inflammatory and Analgesic Cream, Methyl Hesperidin, Kunxian Capsules, Xia Sang Ju Series, Candesartan Tablets, Xiao Ke Pill.

The Group actively pursued incremental sales opportunities in the Great Health segment and implemented precision marketing strategies. Coverage of terminal outlets in traditional sales channels for Wang Lao Ji Herbal Tea was expanded to stabilize its market share in the herbal tea segment. In parallel, deeper collaboration with food and beverage platforms of the four business segments was promoted to enhance penetration across F&B channels. To accelerate share gains in the ready-to-drink (RTD) beverage market, the Group intensified promotional efforts for bottled beverages. Marketing innovations were also introduced for new product lines such as Original Flavor Herbal Tea, the Ci Ning Ji Series, and the Li Xiao Ji Series. In addition, the Group launched new low-concentration, shaking fruit juice beverages, including lychee and yellow peach flavors, to tap into growth potential and nurture a second growth curve.

Thirdly, leveraging service innovation, wholesale-retail synergy, and intelligent upgrades, we are strengthening our core competitiveness and driving steady growth in our pharmaceutical distribution business. The medical wholesale business is improving customer loyalty and efficiency through customized services and supply chain optimization. The retail business is seizing the opportunities brought about by the “dual channel” system, with 31 new designated pharmacies driving offline sales and making breakthroughs online through brand cooperation and new media marketing. The medical device business is driven by the dual strategy of “brand variety + SPD projects,” achieving significant progress in the introduction of high-value consumables and licensed new drugs. The logistics system has significantly improved efficiency and reduced logistics cost rates through lean operations. Key progress has been made in digital transformation, with the new ERP system and S2B2C module achieving closed-loop management and full-process monitoring, laying a solid foundation for the construction of a digital supply chain ecosystem.

- (II) Focusing on overseas market and accelerating internationalization efforts. Chinese medicine products of the Group continued to expand into overseas markets during the Reporting Period, with Xiao Chai Hu Granules obtaining official registration as a proprietary Chinese medicine in Macau. Registration efforts also progressed for other key products, including Zi Shen Yu Tai Pill and An Gong Niu Huang Pill, across multiple international markets. Health product exports also saw accelerated growth. The Group successfully launched the “WALOWI + WANG LAO JI” dual-branded international canned beverage, completing registration in several countries, including Saudi Arabia and Malaysia. We reached multiple strategic collaborations with major international partners such as Saudi Aiduke International Holding Co., Ltd. (沙特艾杜克國際控股有限公司), Baosteel Packaging Co., Ltd. (上海寶鋼包裝股份有限公司), Besta International Trade Co., Ltd. (百達國際貿易有限公司), Nongshim Co., Ltd. (韓國農心集團), Futaba Corporation (日本雙葉產業株式會社), significantly expanding the Group’s global footprint. The Group’s pharmaceutical distribution business also made steady progress internationally. It assisted Zongsheng Pharmaceuticals in fulfilling its first export order of Lerativir Tablets (Leravirin®) – an anti-COVID-19 drug – to Macau, and continued to advance registration efforts in Hong Kong and Macau.

- (III) Improving our innovation planning to continuously achieve scientific research results. We proactively constructed an exchange mechanism for result transformation and industrial policy communication to exchange regularly with institutions, universities, colleges and academicians and expert teams. In order to seize the opportunities arising from new TCM, great efforts have been put in planning the transformation of preparation medicine and new drugs of medical institutions and promoting the construction of the preparation center of medical institutions in Guangzhou, and the Guangzhou Cai Zhi Pharmaceutical Co., Ltd. (廣州采製藥業有限公司) was established. We optimized our science and technology innovation system and mechanism by building a comprehensive and systematic management system of “Science and Technology Innovation Assessment”, which further stimulated internal innovation vitality. During the Reporting Period, the Group obtained a total of 15 approvals for drug registration and was awarded 2 provincial scientific and technological progress awards, 5 national association awards and 1 gold medals at the Geneva International Exhibition of Inventions. The Group also had 1 new national platform, 1 new provincial-level platform and 1 new organization with provincial qualification, among which, the “Guangdong Innovative Chinese Medicine Preparation Transformation Pilot Platform” (廣東創新中藥製劑轉化中試平台) led by Cai Zhi Lin was selected as the first batch of pilot platforms by the Ministry of Industry and Information Technology.
- (IV) Accelerating capital operation and consistently enhancing investor relations management and market value management. Firstly, actively built a fund system covering the entire lifecycle of venture capital firms and investing in vaccines, synthetic organisms and other biomedical frontier fields, our fund investment has begun to take shape. Secondly, as we promoted investment and mergers and acquisitions of various businesses by category, we successfully acquired Cai Shan Tang and the number of time-honored brands under the Group increased to 13. Thirdly, we have put great efforts in advancing the mixed reform of Baiyunshan Hanfang, and completed the capital increase of RMB300 million in Baiyunshan Biological and successfully completed the listing of the shares of Gp Corp. on the NEEQ. Fourthly, we implemented and completed the profit distribution in 2024, with the amount of cash dividends for the year (including interim dividends) of RMB1.301 billion, accounting for 45.87% of the net profit attributable to shareholders for 2024, demonstrating a significant increase from previous years. We formulated the Market Value Management System (《市值管理制度》) and organized more than 50 events including road shows, on-site research, strategy meetings, performance briefings and shareholders meetings, receiving more than 150 visitors in total, continuously strengthening investor exchanges. In addition, through further strengthening our ESG system, the ESG practices have been graded A by both MSCI and WIND.

- (V) Accelerating digital transformation and implementing digital intelligence empowerment. Firstly, greater efforts have been put in promoting the top-level planning of the Group's digital transformation, in order to lay a solid foundation for the Group's digital transformation. Secondly, we cooperated with leading domestic enterprises for top-level digital transformation design and digital applications and talent cultivation, with an aim to empower new-quality productivity. Thirdly, we furthered the technological empowerment and the innovation and upgrading of production technology. For instance, the second phase of establishment of pharmacovigilance system has commenced and Zhong Yi launched the "Green and Smart Manufacturing Technology Project for TCM" (中藥綠色智能製造技術項目) of the Ministry of Industry and Information Technology.
- (VI) Strengthening corporate governance to continuously boost our management efficiency. We completed the institutional reform of the headquarters by further optimizing and clarifying the functions and responsibilities of each department. We continuously reinforced our talent team building through adjusting and optimizing the appraisal metrics and continuously stimulating the motivation of the talent team. We actively optimized the management approach of the procurement platform to push forward the cost reduction and efficiency improvement. Through consistently improving various internal management systems, our corporate governance system has been consistently optimized and our governance has been further standardized.

Significant changes to the operation of the Company during the Reporting Period and matters incurred during the Reporting Period that have had a significant impact on the operations of the Company and are expected to have a significant impact in the future.

☐ Applicable ☒ Not applicable

4.2 Analysis of principal operations

4.2.1 Analysis of changes in financial statement related subjects

Items	The Reporting Period (RMB)	The corresponding period of 2024 (RMB)	Increase/ (Decrease) over the corresponding period of 2024 (%)
Operating revenue	41,834,546,114	41,042,815,088	1.93
Include: income from principal operations	41,711,009,198	40,939,646,545	1.88
Cost of sales	34,171,307,857	33,244,055,667	2.79
Include: cost from principal operations	34,123,852,774	33,206,751,843	2.76
Selling and distribution expenses	3,028,477,835	3,119,415,171	(2.92)
General and administrative expenses	1,202,132,383	1,212,873,492	(0.89)
Financial expenses ^(Note 1)	123,137,569	(59,668,917)	306.37
Research and development expenses	285,285,159	391,145,311	(27.06)
Net cash flow from operating activities ^(Note 2)	(3,397,136,268)	(2,036,740,495)	(66.79)

Items	The Reporting Period (RMB)	The corresponding period of 2024 (RMB)	Increase/ (Decrease) over the corresponding period of 2024 (%)
Net cash flow from investing activities	(4,722,774,624)	(3,914,678,747)	(20.64)
Net cash flow from financing activities ^(Note 3)	1,918,310,699	595,081,665	222.36
Other income ^(Note 4)	125,656,795	184,412,397	(31.86)
Investment income ^(Note 5)	221,112,519	157,448,551	40.43
Gains from changes in fair value ^(Note 6)	(11,422,165)	445,755	(2,662.43)
Impairment losses in respect of credit ^(Note 7)	(148,309,535)	(82,128,563)	(80.58)
Impairment losses in respect of assets ^(Note 8)	(6,787,313)	(1,316,286)	(415.64)
Gains on disposal of assets ^(Note 9)	3,632,647	293,002	1,139.80
Non-operating income ^(Note 10)	73,244,665	15,605,784	369.34
Minority interest ^(Note 11)	59,781,406	118,466,730	(49.54)

Notes:

- (1) The year-on-year increase in financial expenses was due to a year-on-year decrease in interest income from deposits of the Company and its subsidiaries, affected by the downward trend of market interest rates.
- (2) The year-on-year decrease in net cash flow from operating activities was due to a decline in the collection of accounts receivable by subsidiaries of the Company and an increase in the amount of procurement payments during the Reporting Period.
- (3) The year-on-year increase in net cash flow from financing activities was due to a year-on-year increase in bank borrowings of subsidiaries of the Company and payment of cash dividends distribution by the Company during the Reporting Period.
- (4) The year-on-year decrease in other income was due to a year-on-year decrease in government grants recognized by subsidiaries of the Company.
- (5) The year-on-year increase in investment income was due to the year-on-year increase in interest income from, among others, fixed deposits and certificates of deposits held to maturity by the Company and its subsidiaries.
- (6) The year-on-year decrease in the gains from changes in fair value was due to a year-on-year decrease in the fair value of financial assets held by the Company's subsidiaries at the end of the Reporting Period.
- (7) The year-on-year increase in impairment losses in respect of credit loss was due to a year-on-year increase in the provisions for credit impairment loss of receivables by the Company's subsidiaries.
- (8) The year-on-year increase in impairment losses in respect of assets was due to the year-on-year increase in the provisions for price depreciation of inventories by subsidiaries of the Company.
- (9) The year-on-year increase in gains on disposal of assets was due to a year-on-year increase in the gains on disposal of assets recognized by subsidiaries of the Company.

(10) The year-on-year increase in non-operating income was due to a year-on-year increase in the income of relocation compensation from the government received by subsidiaries of the Company.

(11) The year-on-year decrease in minority interest was due to a decline in the profits of holding subsidiaries of the Company, and the minority interest have correspondingly decreased.

4.2.2 Analysis of the Group's principal operations during the Reporting Period by industry and by product

Operations	Results of principal operations by industry					
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	
	Income	Increase/		Increase/	Gross profit	
	from	(Decrease)	Cost of	(Decrease)	margin of	Increase/(Decrease)
	principal	over the	principal	over the	principal	over the corresponding
operations	corresponding	operations	corresponding	operations	period of 2024	
	period of 2024	period of 2024	period of 2024	period of 2024	period of 2024	period of 2024
	(RMB)	(%)	(RMB)	(%)	(%)	(percentage point)
Great Southern TCM	5,240,711,134	(15.23)	2,635,429,099	(15.21)	49.71	A decrease of 0.02 percentage point
Great Health	7,023,240,743	7.42	3,886,238,466	4.25	44.67	An increase of 1.69 percentage points
Great Commerce	29,000,435,949	4.25	27,221,397,537	4.53	6.13	A decrease of 0.26 percentage point
Other	446,621,372	11.67	380,787,672	15.22	14.74	A decrease of 2.62 percentage points
Total	41,711,009,198	1.88	34,123,852,774	2.76	18.19	A decrease of 0.70 percentage point

Types of product	Results of principal operations by product					
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	
	Income	Increase/		Increase/	Gross profit	
	from	(Decrease)	Cost of	(Decrease)	margin of	Increase/(Decrease)
	principal	over the	principal	over the	principal	over the corresponding
operations	corresponding	operations	corresponding	operations	period of 2024	
	(RMB)	(%)	(RMB)	(%)	(%)	(percentage point)
Chinese patent medicine	3,246,254,085	(20.12)	1,816,395,508	(21.17)	44.05	An increase of 0.75 percentage point
Chemical medicine	1,994,457,048	(5.85)	819,033,591	1.89	58.93	A decrease of 3.12 percentage points
Total of Great Southern TCM	5,240,711,134	(15.23)	2,635,429,099	(15.21)	49.71	A decrease of 0.02 percentage point

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

Regions	Income from principal operations (RMB)	Increase/ (Decrease) over the corresponding period of 2024 (%)
Southern China	31,192,846,159	4.88
Eastern China	3,448,505,142	(4.23)
Northern China	1,765,146,985	(11.53)
North-Eastern China	1,246,792,066	21.92
South-Western China	2,875,824,685	(12.36)
North-Western China	1,059,985,253	(8.39)
Exports	121,908,908	(12.91)
Total	<u>41,711,009,198</u>	<u>1.88</u>

4.2.4 Others

Detailed description of the significant changes in business type, the composition and sources of the Company's profits during the Reporting Period.

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

4.4 Analysis of financial conditions

4.4.1 Liquidity of funds

As at 30 June 2025, the current ratio of the Group was 1.54 (31 December 2024: 1.48), and its quick ratio was 1.24 (31 December 2024: 1.15). During the Reporting Period, accounts receivable turnover was 68.24 in days, representing a decrease of 0.33 day as compared with the end of 2024; inventory turnover was 64.08 in days, representing a decrease of 6.54 days as compared with the end of 2024.

4.4.2 Financial resources

As at 30 June 2025, cash and cash equivalents of the Group amounted to RMB10,106,808,592 (31 December 2024: RMB16,302,938,963), of which approximately 99.56% and 0.44% were denominated in Renminbi and foreign currencies including Hong Kong dollar, respectively.

As at 30 June 2025, the Group had bank borrowings of RMB15,271,149,368 (31 December 2024: RMB13,260,568,854) including short-term borrowings of RMB10,265,096,044 (31 December 2024: RMB9,122,982,451), and long-term borrowings of RMB2,580,551,387 (31 December 2024: RMB2,805,538,605), non-current liabilities expiring within one year of RMB2,425,501,937 (31 December 2024: RMB1,332,047,797).

4.4.3 Capital structure

As at 30 June 2025, the Group's current liabilities amounted to RMB37,859,234,775 (31 December 2024: RMB38,915,689,356), representing a decrease of 2.71% as compared to the beginning of 2025, and its long-term liabilities amounted to RMB4,749,186,109 (31 December 2024: RMB4,998,286,419), representing a decrease of 4.98% as compared to the beginning of 2025. Shareholders' equity attributable to the shareholders of the Company amounted to RMB37,760,172,340 (31 December 2024: RMB35,904,527,869), representing an increase of 5.17% as compared to the beginning of 2025.

4.4.4 Capital expenditure

The Group expects the capital expenditure in 2025 to be approximately RMB2.020billion among which the expenditure in the first half of 2025 amounted to RMB0.649 billion (in the first half of 2024: RMB0.636 billion). Such expenditures are primarily allocated to the construction of production bases, equipment upgrades, and information system development. The Board has carefully considered the significance of this capital expenditure. The Group plans to fund future capital expenditure through internal resources, bank borrowings, and other appropriate means. As of the date of this summary, the Company has no plans to undertake any fundraising activities within the next year. Management will continue to assess the need for fundraising based on market conditions, funding requirements, and changes in development strategies. Should any fundraising plans arise in the future, the Company will strictly comply with the listing rules of both the SSE and HKEX and promptly disclose relevant information to shareholders and the public.

4.4.5 Description of assets and liabilities

Items	As at 30 June 2025 (RMB)	Percentage of the total assets (%)	As at 31 December 2024 (RMB)	Percentage of the total assets (%)	Increase/ (Decrease) as compared to 31 December 2024 (%)	Reasons for changes
Cash at bank and on hand	11,827,223,410	14.35	18,273,150,113	22.37	(35.28)	During the Reporting Period, certificates of deposits and fixed deposits newly purchased by subsidiaries of the Company increased and the collection of accounts receivable declined.
Advances to suppliers	758,316,762	0.92	577,942,386	0.71	31.21	During the Reporting Period, the amount of procured supplies, such as pharmaceutical products, of some subsidiaries of the Company using prepayment method increased.
Current portion of non-current assets	5,065,732,895	6.15	3,783,355,649	4.63	33.90	As at the end of the Reporting Period, the financial assets, such as certificates of deposits due within one year, held by the Company and its subsidiaries increased.
Other current assets	5,090,989,660	6.18	1,866,475,672	2.29	172.76	During the Reporting Period, subsidiaries of the Company purchased certificates of deposits and fixed deposits due within one year.
Other non-current assets	89,757,966	0.11	212,699,076	0.26	(57.80)	During the Reporting Period, prepayment of project amounts according to the contract by subsidiaries of the Company decreased year-on-year.
Advances from customers	2,881,341	0.00	4,548,224	0.01	(36.65)	During the Reporting Period, advance receipts of lease amounts by subsidiaries of the Company were transferred to revenue
Contract liabilities	872,523,066	1.06	5,071,977,259	6.21	(82.80)	During the Reporting Period, the advance receipts of accounts receivable by subsidiaries of the Company at the end of the previous year completed delivery of products and realized sales.
Taxes payable	464,286,506	0.56	248,911,254	0.30	86.53	During the Reporting Period, the outstanding amount of enterprise income tax and value added tax of subsidiaries of the Company increased.
Current portion of non-current liabilities	2,620,980,619	3.18	1,522,617,328	1.86	72.14	As at the end of the Reporting Period, the long-term borrowings due within one year of subsidiaries of the Company increased.
Other current liabilities	104,044,546	0.13	651,719,294	0.80	(84.04)	During the Reporting Period, the amount of output tax pending for transfer in the advance receipts within one year of subsidiaries of the Company decreased.
Other comprehensive income	(23,134,371)	(0.03)	(13,839,664)	(0.02)	(67.16)	During the Reporting Period, the changes in fair value of financial assets of the Company and its subsidiaries decreased, and foreign exchange conversion differences of subsidiaries of the Company decreased.

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. Changes in exchange rates will affect the value of assets, liabilities, and overseas investment entities denominated in foreign currencies, and indirectly cause changes in the Group's earnings or cash flows for a certain period of time. During the Reporting Period, changes in foreign exchange had no significant impact on the Group's operating results and cash flows. The Group will continue to monitor potential foreign exchange risks in the process of foreign exchange settlement and will implement appropriate hedging measures when necessary to mitigate such risks.

4.4.7 Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

4.4.8 Charge on the Group's assets

As at 30 June 2025, Guangyao Baiyunshan Hong Kong Company, a subsidiary of the Company, obtained from Bank of China (Hong Kong) Limited an overdraft facility in the amount of HKD300,000 letters of credit and 90-day credit lines in the total amount of HKD100,000,000 as well as unexpired letter of credit of HKD911,726, using fixed assets and buildings with an original value amounting to HKD8,892,895 and net value amounting to HKD5,811,717 and investment properties with an original value amounting to HKD6,842,609 and net value amounting to HKD2,892,187 as security.

4.4.9 Bank loans, overdrafts and other borrowings

As at 30 June 2025, the the Group's bank loans amounted to RMB15,271,149,368 (31 December 2024: RMB13,260,568,854), representing an increase of RMB2,010,580,514 over the beginning of 2025. The above bank loans included short-term borrowings of RMB10,265,096,044, long-term borrowings of RMB2,580,551,387 and non-current liabilities expiring within one year of RMB2,425,501,937.

4.4.10 Gearing ratio

As at 30 June 2025, the Group's gearing ratio (total liabilities/total assets \times 100%) was 51.70% (31 December 2024: 53.76%).

4.4.11 Material investment

As at 30 June 2025, except for those disclosed in "4.5 Analysis of investment situation" of "4. MAJOR EVENTS" in this summary, the Group has no other significant investments in progress.

4.5 Analysis of investment situation

Overall analysis on equity investment

✓ Applicable ☐ Not applicable

As at the end of the Reporting Period, the Group's equity investment amounted to RMB1,568,883,546, representing an increase of RMB61,624,472 compared with the end of the previous year. The increase was mainly attributable to the Group's additional investment in its associated companies.

4.6 Analysis of the Group's major subsidiaries and investees

Name of enterprise	Type of corporation	Main business	Registered capital (RMB)	Income from principal operations (RMB)	Profit from principal operation (RMB)	Total assets (RMB)	Net assets (RMB)	Net profit (RMB)
WLJ Great Health	Limited company (Ltd.)	Production and sales of pre-packaged food, etc.	900,000,000	6,499,304,904	2,865,184,887	16,405,588,710	12,163,626,989	1,295,435,638

During the Reporting Period, except for WLJ Great Health 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 had an impact of 10% or more on net profit of the Group.

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

4.7 Plan for profit distribution and increase of share capital from capital reserve

Half-year profit distribution plan or plan to increase share capital by converting the capital reserve

Any distribution or conversion	Yes
Number of bonus shares to be distributed for every ten shares (<i>share</i>)	/
Amount of dividends to be distributed for every ten shares (<i>RMB inclusive of tax</i>)	4.00
Cash dividend amount (<i>RMB inclusive of tax</i>)	650,316,379.60
Number of shares for every ten shares issued from conversion of capital reserve (<i>share</i>)	/
Explanation on plan of profit distribution and plan of converting capital reserve into share capital	/

Note: 1. There was no reserved funds to equity shares scheme of the Company for the last three years;
2. The Company will distribute the above dividend before the end of September 2025.

4.8 Plans for the second half of 2025

In the second half of 2025, the Group will continue to focus its efforts around the core industry chain and will prioritize the following initiatives:

- (I) Adhering to the “dual-pronged approach” of internal growth and external expansion with an aim to support the development of our core business.

Firstly, in order to strengthen our internal growth, we will continuously diversify our product offerings, improve quality and enhance our brand building. We will also push forward our industrial planning, accelerate the construction of industrial parks and further foster the sustainable development of each of our business segments.

Secondly, we aim to advance our external expansion and strengthen our value realization. Through building a full-life-cycle investment fund system and carrying out capital operation with the focus on existing business industry chain, the progress of our venture capital projects and the investment and mergers in business segments will be accelerated. In addition, we will further strengthen our market value management to convey the value of the Company.

- (II) Adhering to the “two-way development” of the deployment in Bay Area and overseas expansion, continuously growing our overseas market presence and accelerating the implementation of our global strategy. Efforts will be exerted in developing our industrial planning in Hong Kong and Macau. Leveraging on the advantages brought by the Greater Bay Area, we will seek for the overseas registration and the launch of pharmaceutical manufacturing products and establish an international exchange platform for TCM to enhance our international presence. We will focus on the expansion to Southeast Asia, the Middle East, North America, Europe and other markets, and further foster the building of local brands, product registration and expansion of sales channels, in order to achieve a leap in international development.

- (III) Firmly promoting scientific research and innovation. Particular focus will be put on strengthening mechanism innovation, platform establishment, project development and pipeline deployment. We aim to accumulate scientific research resources and enhance the development of sub-segments to realize the transformation and upgrading of the Group from a traditional enterprise to a science and technology innovative enterprise.

- (IV) Strengthening the construction for digital transformation and continuing to carry out overall top-level planning of digital governance. Through establishing and optimizing our digital management system and mechanism, we will accelerate the innovation of production technology and the upgrade of smart manufacturing, to ensure the effective implementation and tangible results of the Group’s digitally-enabled new quality productive force.

(V) Strengthening corporate governance. We will consistently improve our overall and systematic strategic planning, strengthen our ability to attract and train talent and optimize our assessment and incentive system. We will also carry out strategic reorganization and professional integration and enhance quality management and risk prevention and control and put greater efforts in cost reduction, so as to further improve our product quality and operation efficiency and continue to boost our management efficiency.

4.9 During the Reporting Period, neither the Company nor any of its subsidiaries repurchased, sold, or redeemed any of the Company's listed shares (including the sale of any treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares (including any treasury shares held or deposited in the Central Clearing and Settlement System).

4.10 During the Reporting Period, the Company had no material acquisitions or disposals of subsidiaries, associates, or joint ventures.

4.11 Corporate governance

During the Reporting Period, the Company complied with the provisions under the Corporate Governance Code as set out in Appendix C1 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 and will provide the Directors more flexible ways to attend the meetings.

4.12 Model Code for securities transactions by Directors and Supervisors

The Company has adopted the Model Code, “Interim Measures for the Management of Shareholders’ Reduction of Shares in Listed Companies” (《上市公司股東減持股份管理暫行辦法》), “Guidelines for Self discipline Supervision of Listed Companies on the Shanghai Stock Exchange No. 15 – Shareholders, Directors, Supervisors, and Senior Management to Reduce Shareholdings” (《上海證券交易所上市公司自律監管指引第15號 – 股東及董事、監事、高級管理人員減持股份》) and “Measures for the Administration of Trading Shares of the Company by Directors, Supervisors and Senior Management Personnel of the Company” (《董事、監事及高級管理人員買賣公司股份的管理辦法》) 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 current Directors and Supervisors at the end of July 2025, the Company confirmed that its all the current Directors and Supervisors have fully complied with the standards relating to the securities transactions as set out in the above code and criteria during the Reporting Period.

4.13 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 had discussed auditing, risk management, internal controls and financial reporting matters with the management, including the unaudited interim report for the six months ended 30 June 2025. The Audit Committee had no disagreements with the accounting treatment adopted by the Company. The Board confirms that the interim results have been reviewed by the Audit Committee and the external auditors.

4.14 Changes in Directors, Supervisors and Senior management of the Company during the Reporting Period

☒ Applicable ☐ Not applicable

Name	Position in the Company	Changes	Reasons for Changes
Li Xiaojun	Chairperson	Election	/
Cheng Hongjin	Executive Director	Election	/
Tang Heping	Executive Director	Election	/
Liu Lan	Chairperson of the Supervisory Committee	Election	/
Yang Jun	Vice chairperson, executive Director, the chairman of the Strategic Development and Investment Committee of the Board and a member of the Nomination and Remuneration Committee of the Board	Departed	work adjustment
Wu Changhai	Executive Director and a member of the Nomination and Remuneration Committee of the Board	Departed	work adjustment
Liu Juyan	Executive Director and a member of the Strategic Development and Investment Committee of the Board	Departed	reaching statutory retirement age

Explanation on changes in Directors, Supervisors and senior management of the Company

☐ Applicable ☒ Not applicable

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 2024 are set out below:

**Name of Directors/
Supervisors**

Details of the changes

Yang Jun	He has not served as a chairperson of Guangyao Group (Macau) Company since June 2025.
Cheng Jinyuan	He has served as the head of the audit department (audit center) of GPHL and the Company since April 2025, and has not served as the director of the risk control office of GPHL and the Company since April 2025.
Jian Huidong	He has served as the deputy head of the party-mass work department of GPHL and the Company since April 2025.

4.15 As at the end of the Reporting Period, the number of employees on the payroll register of the Group was 27,425. The total salary payment of the Group for the first half of 2025 was approximately RMB2.013 billion.

4.16 Others

☒ Applicable ☐ Not applicable

- (I) On 19 December 2023 and 26 January 2024, the Company held the 6th meeting of the ninth session of the Board and the first extraordinary general meeting of shareholders in 2024, at which the “Resolution on application for quotation on the National Equities Exchange and Quotations by the holding subsidiary” was considered and approved, and it agreed quotation on the NEEQ of GP Corp. (the “Quotation”). On 11 May 2024, GP Corp. submitted an application of the Quotation to the NEEQ Co., Ltd., and received the “Acceptance Notice” issued by the NEEQ Co., Ltd. On 17 June 2024. On 20 May 2025, GP Corp. was listed and began public trading on the NEEQ. For details, please refer to the announcements of the Company dated 19 December 2023, 26 January 2024, 17 June 2024 and 19 May 2025.
- (II) On 23 October 2024, GP Corp. and Industrial Securities Asset Management entered into a Completion Confirmation Letter pursuant to Xingye Yuanrong- GP Corp. phase IV Special Asset Support Plan for Accounts Receivable, and entered into three Completion Confirmation Letter of the new Underlying Assets Subsequently. As at 30 June 2025, the face values of the accounts receivable assets of phase IV Special Asset Support Plan of GP Corp. was RMB2.543 billion, and the total purchase price received was RMB2.509 billion. For details, please refer to the announcement of the Company dated 23 October 2024, 28 November 2024, 28 February 2025 and 28 May 2025.

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 2025 (Unaudited)	31 December 2024 (Audited)
Current assets:			
Cash at bank and on hand		11,827,223,410.43	18,273,150,112.58
Financial assets held for trading		–	–
Derivative financial assets		–	–
Notes receivable		522,681,835.31	553,919,519.41
Accounts receivable	5.1.3	18,467,526,775.26	15,725,982,661.17
Accounts receivable financing		4,104,546,207.42	3,175,849,620.31
Advances to suppliers		758,316,762.07	577,942,385.96
Other receivables		1,080,272,635.63	993,650,235.33
Including: Interest receivable		–	–
Dividends receivable		1,900,304.88	1,500,000.00
Inventories		11,316,984,796.82	12,811,902,453.79
Contract assets		–	–
Assets held for sales		–	–
Current portion of non-current assets		5,065,732,895.47	3,783,355,648.62
Other current assets		5,090,989,660.22	1,866,475,672.20
Total current assets		58,234,274,978.63	57,762,228,309.37

Item	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Non-current assets:			
Debt investment		8,184,142,904.15	8,053,925,346.18
Other debt investment		—	—
Long-term receivables		—	—
Long-term equity investment		1,568,883,546.34	1,507,259,073.94
Other equity instrument investment		95,692,506.36	104,180,509.45
Other non-current financial assets		517,928,063.35	531,000,228.05
Investment properties		143,019,884.08	145,071,577.99
Fixed assets		5,734,888,029.47	5,530,013,212.85
Construction in progress		1,846,002,211.20	1,846,192,932.95
Bearer biological assets		946,067.10	1,120,772.10
Oil and gas assets		—	—
Right-of-use assets		536,628,731.85	561,406,325.03
Intangible assets		2,811,752,322.46	2,828,761,601.53
Development expenditure		398,185,106.24	369,934,913.74
Goodwill		834,090,912.89	830,854,604.98
Long-term prepaid expenses		168,512,794.08	188,559,343.16
Deferred tax assets		1,254,949,027.49	1,210,403,693.47
Other non-current assets		89,757,966.14	212,699,075.85
Total non-current assets		24,185,380,073.21	23,921,383,211.27
TOTAL ASSETS		82,419,655,051.84	81,683,611,520.64
Current liabilities:			
Short-term borrowings		10,265,096,043.86	9,122,982,451.32
Financial liabilities held for trading		—	—
Derivative financial liabilities		—	—
Notes payable		4,260,301,770.02	4,584,854,358.78
Accounts payable	5.1.4	13,243,836,823.39	11,734,666,536.69
Advances from customers		2,881,340.72	4,548,223.86
Contract liabilities		872,523,066.24	5,071,977,258.92
Employee benefits payable		1,025,053,669.06	899,113,818.50
Taxes payable		464,286,505.79	248,911,254.15
Other payables		5,000,230,390.67	5,074,298,832.26
Including: Interest payable		—	—
Dividends payable		136,632,254.31	50,492,925.62
Liabilities held for sales		—	—
Current portion of non-current liabilities		2,620,980,619.29	1,522,617,327.55
Other current liabilities		104,044,546.30	651,719,293.54
Total current liabilities		37,859,234,775.34	38,915,689,355.57

Item	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Non-current liabilities:			
Long-term borrowings		2,580,551,387.03	2,805,538,605.44
Bonds payable		—	—
Lease liabilities		419,461,668.04	445,715,206.87
Long-term payables		19,666,964.60	19,666,964.60
Long-term employee benefits payable		295,118.51	299,678.21
Provisions		43,690,227.93	44,144,600.58
Deferred income		985,092,219.73	1,001,862,397.10
Deferred tax liabilities		645,628,930.54	625,557,477.06
Other non-current liabilities		54,799,592.60	55,501,488.82
Total non-current liabilities		4,749,186,108.98	4,998,286,418.68
Total liabilities		42,608,420,884.32	43,913,975,774.25
Shareholders' equity:			
Share capital		1,625,790,949.00	1,625,790,949.00
Capital surplus		10,112,836,277.85	10,113,721,707.21
Less: Treasury shares		—	—
Other comprehensive income		(23,134,370.63)	(13,839,663.97)
Surplus reserve		2,363,518,341.03	2,363,518,341.03
Undistributed profits		23,681,161,142.39	21,815,336,535.32
Total equity attributable to shareholders of the parent company		37,760,172,339.64	35,904,527,868.59
Minority interest		2,051,061,827.88	1,865,107,877.80
Total shareholders' equity		39,811,234,167.52	37,769,635,746.39
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		82,419,655,051.84	81,683,611,520.64

Consolidated Income Statement

Item	Notes	For the twelve months ended 30 June 2025 (Unaudited)	For the twelve months ended 30 June 2024 (Unaudited)
1. Operating income	5.1.5	41,834,546,113.81	41,042,815,087.95
Less: Operating costs	5.1.5	34,171,307,857.09	33,244,055,666.85
Taxes and surcharges		181,558,008.60	168,053,875.53
Selling and distribution expenses		3,028,477,834.76	3,119,415,170.54
General and administrative expenses		1,202,132,382.79	1,212,873,491.87
R&D expenses		285,285,159.35	391,145,311.41
Financial expenses		123,137,568.86	(59,668,916.74)
Including: Interest expenses		204,001,098.97	213,346,142.39
Interest income		84,796,417.84	278,159,615.53
Add: Other income		125,656,795.41	184,412,396.76
Investment income		221,112,518.58	157,448,550.83
Including: Income from investments in associates and joint ventures		(11,673,633.37)	11,109,142.58
Derecognition income of financial assets measured at amortized cost		(10,378,682.66)	(7,289,089.90)
Gains from changes in fair value		(11,422,164.70)	445,754.97
Impairment losses in respect of credit		(148,309,535.10)	(82,128,562.51)
Impairment losses in respect of assets		(6,787,312.76)	(1,316,286.19)
Gains on disposal of assets		3,632,646.69	293,002.28
2. Operating profit		3,026,530,250.48	3,226,095,344.63
Add: Non-operating income		73,244,664.93	15,605,783.79
Less: Non-operating expenses		9,358,586.30	12,297,751.70
3. Total profit		3,090,416,329.11	3,229,403,376.72
Less: Income tax expenses	5.1.6	514,493,936.82	561,371,344.39
4. Net profit		2,575,922,392.29	2,668,032,032.33

Item	Notes	For the twelve months ended 30 June 2025 (Unaudited)	For the twelve months ended 30 June 2024 (Unaudited)
(1) Classified by the continuity of operations			
A. Net profit from continuing operations		2,575,922,392.29	2,668,032,032.33
B. Net profit from discontinued operations		—	—
(2) Classified by ownership of the equity			
A. Net profit attributable to the parent company's shareholders		2,516,140,986.67	2,549,565,302.08
B. Minority interest		59,781,405.62	118,466,730.25
5. Other comprehensive income, net of tax		(9,199,136.51)	5,246,550.74
Other comprehensive income, net of tax attributable to the parent company's shareholders		(9,294,706.66)	4,978,945.25
(1) Other comprehensive income that will not be reclassified to profit or loss		(7,214,802.63)	325,035.35
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		(7,214,802.63)	325,035.35
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		(2,079,904.03)	4,653,909.90
A. Other comprehensive income that may be reclassified to profit or loss under equity method		—	—
B. Change in fair value of other debt investment		(3,360,426.08)	(1,383,869.08)

Item	Notes	For the twelve months ended 30 June 2025 (Unaudited)	For the twelve months ended 30 June 2024 (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		4,317,819.63	4,064,662.04
G. Cash flow hedge reserve		—	—
H. Difference arising from the translation of foreign currency financial statements		(3,037,297.58)	1,973,116.94
I. Others		—	—
Other comprehensive income, net of tax attributable to minority shareholders		95,570.15	267,605.49
6. Total comprehensive income		<u>2,566,723,255.78</u>	<u>2,673,278,583.07</u>
(1) Total comprehensive income attributable to shareholders of the parent company		2,506,846,280.01	2,554,544,247.33
(2) Total comprehensive income attributable to minority shareholders		59,876,975.77	118,734,335.74
7. Earnings per share (EPS):			
(1) Basic earnings per share		1.548	1.568
(2) Diluted earnings per share		1.548	1.568

5.1.1 Basis of preparation of financial statements

(1) Basis of preparation

The financial statements of the Group are prepared on the basis of the going concern assumption. In accordance with the actual transactions and events, they are prepared in compliance with the Accounting Standards for Business Enterprises – Basic Standards (issued by Order No. 33 of the Ministry of Finance and revised by Order No. 76 of the Ministry of Finance), the 42 specific accounting standards issued and revised on and after February 15, 2006, the Application Guidelines for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (collectively referred to as the “Accounting Standards for Business Enterprises”), as well as the disclosure provisions specified in the No. 15 of the Information Disclosure and Preparation Rules for Companies Publicly Issuing Securities – General Provisions on Financial Reports (revised in 2023) issued by the China Securities Regulatory Commission.

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises, the accounting of the Group is based on the accrual basis. Except for certain financial instruments, all items in these financial statements are measured on the historical cost basis. If an asset is impaired, the corresponding impairment provision shall be made in accordance with the relevant regulations.

(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 event that may cast 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 2025 and as of 30 June 2025 is as follows:

	Great Southern TCM	Great Health	Great Commerce	Other	Offset between segments	Total
External revenue	5,294,414,393.80	7,026,066,751.10	29,063,050,627.74	451,014,341.17	-	41,834,546,113.81
Inter-segment revenue	135,572,384.80	23,569,604.92	3,339,027,069.91	199,540,498.94	(3,697,709,558.57)	-
Interest income	(12,562,272.32)	(33,378,646.36)	(26,325,114.87)	(12,530,384.29)	-	(84,796,417.84)
Interest expenses	7,712,021.17	4,197,871.48	191,091,964.32	1,620,456.67	(621,214.67)	204,001,098.97
Income from investment in associates and joint ventures	(643,529.26)	-	120,920.85	(11,554,504.73)	403,479.77	(11,673,633.37)
Impairment losses in respect of credit	(1,192,433.21)	(4,460.60)	(128,994,080.57)	(7,652,907.83)	(10,465,652.89)	(148,309,535.10)
Impairment losses in respect of assets	(371,168.65)	-	(2,410,995.00)	1,243.50	(4,006,392.61)	(6,787,312.76)
Depreciation and amortization expenses	189,324,080.67	44,218,198.67	206,881,923.44	41,131,426.11	(3,341,331.73)	478,214,297.15
Total profit	981,918,823.97	1,581,480,385.42	345,801,298.06	353,903,292.17	(172,687,470.51)	3,090,416,329.11
Total assets	19,013,770,175.06	17,344,599,582.17	41,896,748,565.15	29,210,713,090.47	(25,046,176,361.01)	82,419,655,051.84
Total liabilities	8,301,129,318.79	4,725,951,399.97	33,203,002,658.19	8,288,773,227.97	(11,910,435,720.60)	42,608,420,884.32
Long-term equity investment in associates and joint ventures	37,513,054.80	-	16,942,139.13	1,514,428,352.41	-	1,568,883,546.34
Increase in other non-current assets excluding long-term equity investment	202,750,365.13	88,232,117.84	282,135,439.74	138,884,816.38	-	712,002,739.09

- (2) The segment information for the 6 months ended 30 June 2024 and as of 31 December 2024 is as follows:

	Great Southern TCM	Great Health	Great Commerce	Other	Offset between segments	Total
External revenue	6,230,726,779.76	6,544,712,198.86	27,863,107,680.59	404,268,428.74	-	41,042,815,087.95
Inter-segment revenue	181,818,372.29	19,162,126.82	3,826,232,373.33	215,116,338.52	(4,242,329,210.96)	-
Interest income	(45,270,421.71)	(162,681,233.27)	(35,914,342.31)	(34,089,971.71)	(203,646.53)	(278,159,615.53)
Interest expenses	8,106,799.77	4,815,977.07	199,262,647.40	4,072,977.46	(2,912,259.31)	213,346,142.39
Income from investments in associates and joint ventures	(705,677.66)	-	39,070.36	11,275,200.90	500,548.98	11,109,142.58
Impairment losses in respect of credit	(4,264,152.71)	(5,455.75)	(71,666,733.43)	(3,531,951.10)	(2,660,269.52)	(82,128,562.51)
Impairment losses in respect of assets	598,648.21	-	3,041,984.37	19,687.68	(4,976,606.45)	(1,316,286.19)
Depreciation and amortization expenses	161,134,480.00	41,346,425.15	219,454,685.52	36,943,721.03	(166,272.98)	458,713,038.72
Total profit	1,159,446,690.63	1,388,186,444.19	467,840,515.98	312,651,410.87	(98,721,684.95)	3,229,403,376.72
Total assets	18,669,486,394.06	19,817,808,509.13	38,626,592,836.07	28,227,254,816.08	(23,657,531,034.70)	81,683,611,520.64
Total liabilities	8,575,125,567.53	8,514,220,364.32	30,186,789,785.36	7,435,325,015.77	(10,797,484,958.73)	43,913,975,774.25
Long-term equity investment in associates and joint ventures	38,156,584.06	-	16,818,971.39	1,452,283,518.49	-	1,507,259,073.94
Increase in other non-current assets excluding long-term equity investment	440,467,024.01	37,592,807.39	160,943,244.87	122,414,033.44	-	761,417,109.71

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:

External revenue	January to June of 2025	January to June of 2024
PRC	41,712,637,205.18	40,902,828,526.36
Other countries/regions	121,908,908.63	139,986,561.59
	<u>41,834,546,113.81</u>	<u>41,042,815,087.95</u>
Total non-current assets	30 June 2025	31 December 2024
PRC	14,119,891,372.78	14,008,601,389.74
Other countries/regions	12,776,199.08	13,272,044.38
	<u>14,132,667,571.86</u>	<u>14,021,873,434.12</u>

5.1.3 Accounts receivable

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

	30 June 2025	31 December 2024
Within 1 year	16,621,637,082.71	14,366,926,508.25
1 to 2 years	1,874,460,108.42	1,447,254,521.49
2 to 3 years	401,289,687.02	246,382,554.97
3 to 4 years	119,424,978.22	95,992,780.94
4 to 5 years	41,027,153.48	37,140,920.37
Over 5 years	250,204,846.04	235,917,479.98
	<hr/>	<hr/>
Less: Provision for bad debts	840,517,080.63	703,632,104.83
	<hr/>	<hr/>
	18,467,526,775.26	15,725,982,661.17
	<hr/> <hr/>	<hr/> <hr/>

5.1.4 Accounts payable

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

	30 June 2025	31 December 2024
Within 1 year	12,696,608,962.67	11,206,378,453.13
Over 1 year	547,227,860.72	528,288,083.56
	<hr/>	<hr/>
	13,243,836,823.39	11,734,666,536.69
	<hr/> <hr/>	<hr/> <hr/>

5.1.5 Operating income and Operating costs

	For the 6 months ended 30 June 2025		
	Main businesses	Other businesses	Subtotal
Operating income	41,711,009,198.23	123,536,915.58	41,834,546,113.81
Operating costs	34,123,852,774.43	47,455,082.66	34,171,307,857.09
	<hr/>	<hr/>	<hr/>
Gross profit	7,587,156,423.80	76,081,832.92	7,663,238,256.72
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	For the 6 months ended 30 June 2024		
	Main businesses	Other businesses	Subtotal
Operating income	40,939,646,545.07	103,168,542.88	41,042,815,087.95
Operating costs	33,206,751,842.75	37,303,824.10	33,244,055,666.85
	<hr/>	<hr/>	<hr/>
Gross profit	7,732,894,702.32	65,864,718.78	7,798,759,421.10
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5.1.6 Income tax expenses

	For the 6 months ended 30 June 2025	For the 6 months ended 30 June 2024
Current income tax expenses	542,927,143.85	601,784,664.91
Deferred income tax expenses	<u>(28,433,207.03)</u>	<u>(40,413,320.52)</u>
	<u>514,493,936.82</u>	<u>561,371,344.39</u>

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

	For the 6 months ended 30 June 2025
Total profit	<u>3,090,416,329.11</u>
Income tax calculated at statutory rate	<u>463,562,449.37</u>
Tax effect of different rates applicable to subsidiaries in the scope of consolidation	23,042,759.45
Effect of income tax adjustment for prior period	7,041,901.83
Non-taxable and tax relief income	(998,743.52)
Non-deductible costs, expenses and losses	3,823,676.20
Effect of using deductible losses of deferred tax assets unrecognized in prior period	(3,639,901.33)
Effect of deductible temporary differences and deductible losses which are not recognized in current period	38,638,122.64
Tax effect of R&D expenditure deduction	(16,976,327.82)
Changes in the balance of deferred income tax assets/liabilities at the beginning of the year due to tax rate adjustments	<u>—</u>
Income tax expenses	<u><u>514,493,936.82</u></u>

According to the state's relevant tax preferential policies for High/New enterprises, qualified High/New 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. GR202344004122), Xing Qun (No. GR202344002036), Zhong Yi (No. GR202344010147), Chen Li Ji (No. GR202344005874), Guangzhou Han Fang (No. GR202344010098), Qi Xing (NO. GR202344004761), Jing Xiu Tang (No. GR202344007214), Pan Gao Shou (No. GR202344009572), Wang Lao Ji (No. GR202344003015), Guand Dong Han Chao (No. GR202344003019), Tian Xin (No. GR202344004253), Guang Hua (No. GR202444002191), Ming Xing (No. GR202344008105), Guangyao General Institute (No. GR202444009410), Guangxi Ying Kang (No. GR202445000589), Baiyunshan Weiling Pharmaceutical Co., Ltd. (No. GR202244012147), Guangzhou Pharmaceutical Information Technology Co., Ltd. (No. GR202344009159), Wei Yi Industrial Co., Ltd. (No.: GR202444001470), Guangyao Wanglaoji (Bijie) Industrial Co., Ltd. (No.: GR202452000044), Gansu Guangyao Baiyunshan Chinese Medicine Technology Co., Ltd. (No.: GR202462000057).

Hainan Guangyao Chen Fei Pharmaceutical Co., Ltd., Guangyao (Zhuhai Hengqin) pharmaceutical Import and Export Co., Ltd., Guangyao (Hainan) Pharmaceutical Co., Ltd, WLJ Great Health 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 2025.

In accordance with the Announcement on the Policy of Additional Deduction of Value-Added Tax for Advanced Manufacturing Enterprises (Announcement No. 43 of 2023 by the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct 5% of their current deductible input tax amount from their payable value-added tax amount. The Company, together with Xingqun Pharmaceutical, Zhongyi Pharmaceutical, Chenlijiji Pharmaceutical Factory, Guangzhou Hanfang, Jingxiutang Pharmaceutical, Pangaoshou Pharmaceutical, Wanglaoji Pharmaceutical, Wanglaoji Great Health, Guangxi Yingkang, Mingxing Pharmaceutical, Tianxin Pharmaceutical and Guanghua Pharmaceutical, are entitled to the aforesaid value-added tax additional deduction policy.

5.1.7 Dividends

According to the resolution of the 2024 annual general meeting held on 3 June 2025, the Company shall pay cash dividends to all shareholders at RMB0.40 per share (tax included), which is RMB650,316,379.60 in total, based on the outstanding shares of 1,625,790,949 shares at the year ended of 2024.

5.2 No changes in accounting policies compared to the most recent annual report.

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 2 new subsidiaries due to other reasons and a decrease of 1 subsidiaries. The reasons for these changes are as follows:

- (1) In February 2025, the Company's subsidiary, Wang Lao Ji acquired Cai Shan Tang. The registered capital of this company is RMB53.397 million, among which the subscribed capital contribution of Wang Lao Ji accounts for 67% of the registered capital.
- (2) In March 2025, the Company's subsidiary, Tibet Linzhi Guangyao Development Co., Ltd., completed voluntary liquidation.
- (3) In May 2025, the Company's subsidiary, Caizhilin Pharmaceutical Co., Ltd., established Guangzhou Caizhi Pharmaceutical Co., Ltd. with a registered capital of RMB50 million, of which Caizhilin Pharmaceutical Co., Ltd. subscribed 51% of the registered capital.
- (4) In May 2025, the Company's subsidiary, Guangzhou Baiyunshan Yihu Health Technology Co., Ltd., divested its equity interest in Guangzhou Yufeng Jianhu Medical Supplies Co., Ltd. As a result, the latter is no longer consolidated into the Company's financial statements.

5.6 There is no explanation from the Board or the Supervisory Committee on non-standard audit report issued by the auditors for the Reporting Period.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 15 August 2025

As at the date of this announcement, the Board comprises Mr. Li Xiaojun, Ms. Cheng Ning, Mr. Cheng Hongjin, Mr. Tang Heping 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.