

LBX Pharmacy Chain Joint Stock Company

2025 First Quarter Report

The Company's Board of Directors and all directors undertake that nothing hereof contains any false records, misleading representations or major omissions, and are legally liable for authenticity, accuracy and integrity of the contents hereof.

Important Notes

The Company's Board of Directors, Board of Supervisors, and directors, supervisors, and senior executives guarantee that the content of the quarterly report is true, accurate, and complete, contains no false records, misleading statements, or material omissions, and bear individual and joint legal liabilities.

The Company's principal, person in charge of accounting work, and person in charge of accounting department (chief accountant) guarantee that the financial information in the quarterly report is true, accurate, and complete.

Whether the first quarter financial statements have been audited

☐ Yes ☒ No

I. Main Financial Data

(I) Main Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

Item	Current reporting period	Same period of previous year	Increase/decrease on a year-on-year basis (%)
Operating income	5,435,220,089	5,539,130,441	-1.88
Net profit attributable to shareholders of the listed company	250,636,310	321,257,612	-21.98
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	243,498,304	310,558,626	-21.59
Net cash flows from operating activities	804,266,875	417,071,839	92.84
Basic EPS (RMB/share)	0.33	0.42	-21.43
Diluted EPS (RMB/share)	0.33	0.42	-21.43
Weighted average ROE (%)	3.74	4.68	Decrease by 0.94PP

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			percentage points
	End of the reporting period	End of the previous year	Increase/decrease on a year-on-year basis (%)
Total asset	21,032,492,621	21,044,853,679	-0.06
Owner's equity attributable to shareholders of the listed company	6,831,826,301	6,580,857,270	3.81

Non-recurring gains and losses items and amounts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Non-recurring gains and losses item	Amount of the current period	Explanation
Gains or losses from disposal of non-current assets, including the write-off portion of asset impairment provisions already recognized	-757,855	
Government grants recognized in current profit or loss, excluding those closely related to the Company's normal business operations, complying with national policy regulations, enjoyed according to established standards, and having a continuous impact on the Company's profit or loss	8,051,561	
Gains or losses from changes in fair value of financial assets and liabilities held by non-financial enterprises, and gains or losses from disposal of financial assets and liabilities, excluding effective hedging activities related to the Company's normal business operations	350,315	
Fees charged for the occupation of funds to non-financial enterprises recognized in current profit or loss		
Gains or losses from entrusting others to invest or manage assets		
Gains or losses from external entrusted loans		
Asset losses arising from force majeure factors, such as natural disasters		
Reversal of impairment provisions for receivables tested individually for impairment		
Gains arising from the investment cost of acquiring subsidiaries, associates, and joint ventures being less than the fair value of the identifiable net assets of the investee at the time of acquisition		
Current net profit or loss of subsidiaries from the beginning of the period to the merger date arising from business combinations involving enterprises under common control		
Gains or losses from non-monetary asset exchanges		
Gains or losses from debt restructuring		
One-off expenses incurred due to the discontinuation of related business activities, such as employee placement expenses		
One-off impact on current profit or loss due to adjustments in tax, accounting, and other laws and		

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regulations		
Share-based payment expenses recognized one-off due to cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date		
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value model		
Gains arising from transactions with obviously unfair transaction prices		
Gains or losses arising from contingent events unrelated to the Company's normal business operations		
Custody fee income from entrusted operations		
Other non-operating income and expenses other than the items listed above	2,083,853	
Other profit or loss items meeting the definition of non-recurring gains and losses		
Less: Income tax impact	451,073	
Impact on minority interests (after tax)	2,138,795	
Total	7,138,006	

Reasons should be provided if the Company identifies items not listed in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Gains and Losses* as non-recurring gains and losses items with significant amounts, or defines items listed in the announcement as recurring gains and losses items.

☐Applicable ☒Not Applicable

Changes in main accounting data and financial indicators, and reasons

☒Applicable ☐Not Applicable

Name of Project	Change ratio (%)	Main reason
Net cash flows from operating activities	92.84	Mainly due to the decrease in cash paid for purchases during the period

II. Shareholder Information

(I) Total number of ordinary shareholders and preferred shareholders with restored voting rights, and shareholding of top ten shareholders table

Unit: Share

Total number of common shareholders at the end of the reporting period	48,022	Total number of preferred shareholders whose voting rights have been restored at the end of the reporting period (if any)			0	
Shareholding of top 10 shareholders (excluding shares lent through securities refinance)						
Name of Shareholder	Shareholder Nature	Shares held	Shareholding ratio (%)	Number of Shares Held Subject to Sales Restrictions	Pledge, Mark, or Freeze	
					Share Status	Quantity

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LBX Pharmaceutical Group Co., Ltd.	Domestic Non-State-Owned Legal Person	198,564,175	26.12	0	Pledged	138,324,000
Janstar Investment Limited	Foreign legal person	168,013,035	22.10	0	Pledged	134,410,428
Hong Kong Securities Clearing Company Limited	Unknown	18,180,229	2.39	0	None	
Chen Xiulan	Domestic natural person	13,565,698	1.78	0	None	
Shi Zhan	Domestic natural person	10,098,811	1.33	0	None	
Industrial and Commercial Bank of China Limited - Zhong Ou Medical and Health Mixed Securities Investment Fund	Unknown	8,327,862	1.10	0	None	
Linzhi Tencent Technology Co., Ltd.	Domestic Non-State-Owned Legal Person	7,391,046	0.97	0	None	
Agricultural Bank of China Limited - CSI 500 ETF	Unknown	4,969,303	0.65	0	None	
China Life Insurance Company Limited - Traditional - General Insurance Product - 005L - CT001 Shanghai	Unknown	4,476,910	0.59	0	None	
China Construction Bank Corporation - HSBC Jintrust New Dynamic Mixed Securities Investment Fund	Unknown	3,859,568	0.51	0	None	
Shareholding of top 10 non-restricted shareholders (excluding shares lent through securities refinance)						
Name of Shareholder	Number of Tradable Shares without Sales Restrictions Held	Share Type and Quantity				
		Type of stocks	Quantity			
LBX Pharmaceutical Group Co., Ltd.	198,564,175	RMB ordinary shares		198,564,175		
Janstar Investment Limited	168,013,035	RMB ordinary shares		168,013,035		
Hong Kong Securities Clearing Company Limited	18,180,229	RMB ordinary shares		18,180,229		
Chen Xiulan	13,565,698	RMB ordinary shares		13,565,698		
Shi Zhan	10,098,811	RMB ordinary shares		10,098,811		
Industrial and Commercial Bank of China Limited - Zhong Ou Medical and Health Mixed Securities Investment Fund	8,327,862	RMB ordinary shares		8,327,862		
Linzhi Tencent Technology Co., Ltd.	7,391,046	RMB ordinary shares		7,391,046		
Agricultural Bank of China Limited - CSI 500 ETF	4,969,303	RMB ordinary shares		4,969,303		
China Life Insurance Company Limited - Traditional - General Insurance Product - 005L - CT001 Shanghai	4,476,910	RMB ordinary shares		4,476,910		

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China Construction Bank Corporation - HSBC Jintrust New Dynamic Mixed Securities Investment Fund	3,859,568	RMB ordinary shares	3,859,568
Explanation of Related Relationships or Concerted Actions among the Above Shareholders	The Company's actual controllers are Mr. Xie Zilong and Ms. Chen Xiulan (couple). Apart from this, the Company is unaware whether other relationships or concerted actions as defined in the <i>Administrative Measures for the Acquisition of Listed Companies</i> exist among the other shareholders mentioned above.		
Explanation on the participation of top 10 shareholders and top 10 non-restricted shareholders in margin financing, securities lending, and securities refinance business (if any)	None		

Share lending situation of shareholders holding 5% or more, top 10 shareholders, and top 10 non-restricted circulating shareholders participating in securities refinance business

☐Applicable ☒Not Applicable

Changes in top 10 shareholders and top 10 non-restricted circulating shareholders compared to the previous period due to lending/return reasons in securities refinance

☐Applicable ☒Not Applicable

III. Other Reminders

Other important information concerning the Company's operating situation during the reporting period that requires investor attention

☒Applicable ☐Not Applicable

(I) Operating Situation and Analysis

1. Optimize market layout

(1) Focus on advantageous and small-town and rural markets, expand steadily

The Company expands its market through a multi-pronged, in-depth cultivation model of "four horse carriages": direct operation, M&A, franchising, and alliance, having achieved broad coverage of the national market. As of the end of Q1 2025, the Company's chain network covered 18 provincial-level markets, over 150 prefecture-level cities and above, with 15,252 stores, including 9,844 directly-operated stores and 5,408 franchise stores. In Q1 2025, 211 new stores were added, including 24 directly-operated stores and 187 franchise stores, while 236 stores were adjusted and closed, Optimizing market layout.

The Company focuses on layout in 11 advantageous provinces to increase market share. Among the new stores added in the first quarter, directly-operated stores in advantageous provinces and key cities accounted for 92%. Meanwhile, the Company optimizes its layout based on market changes by relocating and closing loss-making stores, enhancing overall profitability.

Actively expand into small-town and rural markets with large populations and low operating costs. As of March 31, 2025, the proportion of stores in prefecture-level cities and below was 77%; among the new stores added from January to March 2025, the proportion of stores in prefecture-level cities and below was 86%.

(2) Franchise layout taps into existing pharmacies, integrating the market

First, the Company's franchise business accelerates layout in the existing market, focusing on recruiting existing stores to convert to franchises and project-based franchising. In Q1 2025, existing store conversions

accounted for 62% of new franchises, a year-on-year increase of 34 percentage points. Second, strengthen the layered and graded management of franchise stores, optimizing operational strategies for different store types. Third, resources from the Group's supply chain center further support franchise development. Fourth, the Group's information center empowers franchise stores, with information systems supporting cost reduction and efficiency improvement. In Q1 2025, the Company's franchise business achieved distribution revenue exceeding RMB 580 million.

(3) Alliance deeply empowers partners, broadly cooperating

First, integrate supply chain resources to reduce costs and increase efficiency for cooperative enterprises. Second, provide intelligent analysis and decision-making reports through full-category data docking. Third, regularly organize employee training for cooperative enterprises to enhance business capabilities. In Q1 2025, the total annual retail scale of alliance enterprises exceeded RMB 30 billion, with the number of alliance stores reaching 21,000+, among which 127 are cooperative enterprises with company shareholding, corresponding to a retail scale of RMB 8.27 billion and 7,086 stores. In the first quarter, the Company's alliance business achieved distribution sales of RMB 126 million, a year-on-year increase of 34%.

2. Enhance professional capabilities

(1) Medical insurance stores strengthen compliance management, reducing risks

In 2025, the Company continued to strengthen the operational management capabilities of medical insurance stores. First, strengthen the management of medical insurance stores, respond to policy changes, and improve operational management based on regulatory requirements. Second, continuously promote long-term stable and compliant development, strengthening compliance control through compliance systems, self-inspection mechanisms, etc., to reduce operating risks. Third, promote the operation of self-built internet hospitals, standardize prescription management, and enhance the ability to handle prescription outflow.

As of the end of the reporting period, the Company had a total of 9,158 directly-operated stores with medical insurance qualifications, accounting for 93.03% of directly-operated stores. The number of stores with outpatient pooling qualifications was 5,452 (including 4,155 directly-operated and 1,297 franchise stores), with outpatient pooling stores accounting for 42.21% of directly-operated stores.

(2) Professional pharmacy attributes continuously consolidated, attracting customer flow

Build professional pharmacies to high standards, prioritizing the acceptance of outflowing prescriptions. At the end of the reporting period, the Company had 1,728 stores designated for "outpatient chronic and special diseases", accounting for 17.55% of directly-operated stores; the number of stores with dual-channel qualifications reached 331. The Company owns 176 DTP pharmacies, covering 14 provinces and 55 cities nationwide.

Provide high-quality pharmaceutical services. The Company strengthens the professional service capabilities of pharmacies through an "online + offline" training system, encouraging employees to obtain qualifications as licensed pharmacists and pharmacists. Utilizing online instant learning tools to solidify theoretical foundations and enhancing practical skills through offline counter training. Additionally, continuously empower store staff through digital tools to provide customers with high-quality pharmaceutical services.

Deepen DTP professional service capabilities. The Company actively carries out care programs for diseases such as breast cancer, skin diseases, leukemia, lung cancer, and hemophilia, striving to meet the most urgent and professional pharmaceutical service needs of patients with chronic and severe diseases.

3. Improve merchandise management

(1) Torch Project innovates the commercial procurement system, improving profitability

The Company continues to deepen the Torch Project, comprehensively promoting the innovation of the commercial procurement system and key business processes. In Q1 2025, the gross profit margin reached 34.22%, with the offline sales gross profit margin of stores increasing by 0.70 percentage points year-on-year.

First, upgrade the product selection strategy - continuously iterate the product selection model and optimize

the category structure layout. Second, full-link management of new products - establish a through-mechanism for new products from market insight to terminal sales, quickly responding to changes in consumption trends. Third, build an operational grading system - systematically plan product operation strategies through linkage of marketing, inventory, and procurement. Fourth, strengthen price control - establish a price monitoring system for the entire product life cycle to prevent market price chaos and ensure sales profit. Fifth, build system capabilities - continuously upgrade the commercial procurement management system, improve data governance, and provide precise data support for operational decisions.

(2) Merchandise digitalization and vertical management, enhancing efficiency

Continuously promote the digitalization process of merchandise management and the vertical management model. Implement differentiated category operations, leveraging digital tools to reduce inventory turnover days. At the end of the reporting period, the Company operated approximately 25,100 SKUs (Stock Keeping Units). In Q1 2025, the Company's inventory turnover days were 92 days, a decrease of 13 days year-on-year.

Deepen the integration of procurement channels to increase the proportion of centralized procurement. Build a mutually beneficial supply chain ecosystem by streamlining procurement and distribution links, implementing multi-dimensional market analysis, and sharing quality resources with brand owners. In Q1 2025, the sales proportion of centralized procurement was 75.3%, an increase of about 5.8 percentage points year-on-year.

Continuously innovate private label brands, enhancing product experience and cost-effectiveness based on consumer needs. In March 2025, the Company's private label "vitastic Red Nose Tissues" won an international authoritative award - the 2025 Muse Design Awards Gold Award. During the reporting period, the sales of private label brands in self-operated stores exceeded RMB 900 million, accounting for about 23.3% of sales, an increase of 2.5 percentage points compared to the same period last year.

4. Provide warm service

(1) Altruism culture promotion deeply rooted, boosting morale

Continuously implement the altruism culture to boost employee morale and store service. First, continue the "Altruistic Mindset" project from 2024, focusing on "7 Altruistic Deeds" to promote the construction of altruism culture. Second, added "3 Morale-Boosting Deeds" to encourage all employees to forge ahead bravely, start anew, and fight to the end. Third, jointly form the "2025 Altruism Morale Boosting" project, focusing on benefiting front-line employees and store customers, boosting the morale of all employees, promoting the Company's altruism culture, and comprehensively enhancing overall morale.

(2) Chronic disease management service cares for customers, enhancing stickiness

Further enhance the depth and warmth of chronic disease services. First, customer-centric, rely on digital intelligence technology to form a closed loop of full-cycle health management covering disease prevention, monitoring intervention, and health guidance. Second, systematic file creation mechanisms and regular health tracking effectively enhance user dependency. Third, enhance the professional service capabilities and humanistic care level of front-line employees through intelligent auxiliary systems and standardized service processes.

As of the end of Q1 2025, the Company's chronic disease management service has accumulated files for 19.35 million+ people, served 109 million+ self-tests, conducted 32.46 million+ follow-up visits (successful contact basis), and held 35,000+ online and offline customer health education sessions.

(3) Closed-loop management system for member operations, refined service

Relying on big data technology and store scenario advantages, the Company's member operations have established a complete closed-loop management system, and the capability for refined member services continues to improve. First, identify member needs and provide precise full-life-cycle health services. Second, optimize member experience and enhance loyalty through benefits, points, and paid memberships. Third, review member marketing strategies, continuously increasing the proportion of member sales and consumption frequency.

At the end of the reporting period, the total number of company members (including franchise) reached 102.05 million, among which the number of active members in the first quarter was 15.46 million. Over 2.4015

million new registered members were added during the reporting period, and member sales accounted for 73%.

5. Continue exploring innovation

(1) Deep integration of digital intelligence system, empowering business

Continuously promote the construction of the digital intelligence system, enhancing operational efficiency and achieving cost optimization through technological innovation and deep business integration. In Q1 2025, the following five measures were implemented: First, increase exploration in digital intelligence, expanding intelligent application scenarios. Second, refine the commercial procurement system to support efficient and refined decision-making. Third, upgrade new retail business strategies and expand pilot scope. Fourth, closely align with core business demands, strengthen data governance and label construction. Fifth, support the franchise business, reducing the out-of-stock rate for all franchise products by 0.4 percentage points.

(2) New retail end bolstered by big data, maintaining a leading position

The Company enriches its new retail business product lines, enhances intelligence and big data applications, and quickly responds to consumer needs. During the reporting period, the total online channel sales (including franchise) were approximately RMB 750 million, a year-on-year increase of 34%. As of the end of the reporting period, the Company had 12,474 stores offering O2O delivery services and 665 24-hour stores.

In the public domain, first, closely collaborate with the commercial procurement team to respond to user needs. Second, focus on being the online category leader, improving product satisfaction and reducing product out-of-stock rates. Third, simultaneously develop multiple channels, multiple scenarios, and multiple business formats with a wide range of products. In Q1 2025, the Company's O2O and B2C sales ranked fourth and third in the market, respectively.

In the private domain, first, under operational strategies like the New Year Goods period and staying open during Spring Festival, private domain sales increased by 58.5% year-on-year. Second, horizontally expand the private domain product assortment, with new product sales accounting for over 18%. Third, implement multi-code integration, lowering the user operation threshold, resulting in a 70% year-on-year increase in Mini Program Mall DAU (Daily Active Users), peaking at over 200,000.

(3) Diversified efforts in non-pharmaceuticals, exploring incremental growth

In Q1 2025, the Company continued to explore pharmacy diversification. First, continuing previous explorations, successfully created prototypes for 3 diversified stores, with the proportion of non-pharmaceutical sales in these prototype stores increasing by 2.8 percentage points. Second, transferred several successful segmented scenario brands to the Group, totaling 48 SKU single products, distributed to 5,800 stores.

(II) Explanation of Operating Data

1. Main business situation by industry

By industry	Operating income	Operating cost	Gross profit margin (%)	YoY change in operating income (%)	YoY change in operating cost (%)	YoY change in gross profit margin (percentage points)
Retail	4,467,271,752	2,751,664,279	38.40	-4.62	-3.80	-0.52
Franchise, alliance, and distribution	903,432,031	780,314,750	13.63	10.29	9.53	0.60
Other	64,516,306	43,190,013	33.06	76.59	159.11	-21.32
Total	5,435,220,089	3,575,169,042	34.22	-1.88	-0.40	-0.98

Note: The decline in the gross profit margin of the retail business is primarily attributed to the increased proportion of online business. Excluding the online business, the gross profit margin of the offline retail business in stores increased by 0.70 percentage points year-on-year.

2. Main business situation by product

By product	Operating income	Operating cost	Gross profit margin (%)	YoY change in operating income (%)	YoY change in operating cost (%)	YoY change in gross profit margin (percentage points)
Chinese and western patent medicine	4,371,172,670	2,978,011,171	31.87	-2.09	0.05	-1.45
Chinese medicine	397,675,600	211,755,037	46.75	-4.21	-4.55	0.19
Non-pharmaceuticals	666,371,819	385,402,834	42.16	1.03	-1.42	1.44
Total	5,435,220,089	3,575,169,042	34.22	-1.88	-0.40	-0.98

Note: The Company includes categories like Ejiao (donkey-hide gelatin) into the Chinese Medicine category based on industry conditions, and historical data has been adjusted accordingly.

3. Main business situation by region

By Region	Operating income	Operating cost	Gross profit margin (%)	YoY change in operating income (%)	YoY change in operating cost (%)	YoY change in gross profit margin (percentage points)
Central China Region	2,278,720,540	1,473,364,815	35.34	-2.21	0.45	-1.72
South China Region	259,998,601	170,807,755	34.30	-8.11	-8.00	-0.08
North China Region	579,904,402	396,339,929	31.65	0.94	0.63	0.21
East China Region	1,450,213,707	975,275,803	32.75	-2.83	-1.02	-1.23
Northwest Region	866,382,839	559,380,740	35.43	0.86	0.27	0.38
Total	5,435,220,089	3,575,169,042	34.22	-1.88	-0.40	-0.98

Note: Central China region includes: Hunan Province, Hubei Province, Jiangxi Province, Henan Province;

South China region includes: Guangdong Province, Guangxi Zhuang Autonomous Region;

North China region includes: Tianjin Municipality, Inner Mongolia Autonomous Region, Shanxi Province;

East China region includes: Zhejiang Province, Shanghai Municipality, Anhui Province, Jiangsu Province, Shandong Province;

Northwest China region includes: Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Guizhou Province.

4. Market layout

(1) As of March 31, 2025, the Company had 15,252 stores, including 9,844 directly-operated stores and

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5,408 franchise stores. The overall distribution of directly-operated stores during the reporting period is as follows:

Unit: Store

Region	End of 2024	January - March 2025		
		Newly added	Close	Ending
Central China Region	3,532	2	38	3,496
South China Region	549	0	3	546
North China Region	1,513	6	26	1,493
East China Region	2,901	12	74	2,839
Northwest Region	1,486	4	20	1,470
Total	9,981	24	161	9,844

(2) The operating efficiency of the Company's directly-operated stores is as follows:

Store type (classified by average daily sales)	Number of stores (unit)	Store operating area (m ²)	Average daily sales per square meter (Yuan/m ²)
Flagship Store	93	39,793	209
Large Store	243	45,418	109
Small-Medium Mature Store	9,508	934,639	38
Total	9,844	1,019,850	48

Note: In Q1 2025, due to data caliber adjustment for flagship store efficiency, sales from some B2C stores were not included in the directly-operated store caliber. The actual restored efficiency is RMB 228/m², a YoY increase of 1.3%. The efficiency of small and medium-sized established stores decreased by RMB 2 per square meter compared to the same period last year, mainly due to market environment, medical insurance policy impacts, etc.

(3) The situation of directly-operated stores obtaining medical insurance qualifications is as follows:

During the reporting period, 9,158 of the Company's directly-operated stores obtained various "designated retail pharmacy for medical insurance" qualifications, with medical insurance stores accounting for 93.03%.

Region	Total Number of Stores	Number of Stores with Various Medical Insurance Qualifications	Proportion of Total Stores
Central China Region	3,496	3,317	94.88 %
South China Region	546	538	98.53 %
North China Region	1,493	1,432	95.91 %
East China Region	2,839	2,730	96.16 %
Northwest Region	1,470	1,141	77.62 %
Total	9,844	9,158	93.03%

(III) Project Acquisition

During the reporting period, the Company and its subsidiaries were involved in 1 acquisition project, with an acquisition amount of RMB 385 million. Details are as follows:

1. In January 2025, the Company signed an *Equity Transfer Agreement* with the shareholders of Hunan LBX Huairen Pharmacy Chain Co., Ltd. to acquire a 20% stake in Hunan LBX Huairen Pharmacy Chain Co., Ltd. for an acquisition consideration of RMB 385 million. The transaction has not yet been completed.

IV. Quarterly Financial Statements

(I) Type of audit opinion

☐ Applicable ☒ Not Applicable

(II) Financial Statements

Consolidated Balance Sheet

March 31, 2025

Prepared by: LBX Pharmacy Chain Joint Stock Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	March 31, 2025	December 31, 2024
Current assets:		
Cash and bank deposits	2,424,233,924	2,379,865,319
Deposit reservation for balance		
Funds lent		
Trading financial assets		
Derivative financial assets		
Notes receivable	85,766,255	76,074,821
Accounts receivable	2,312,707,312	2,340,489,925
Receivables financing	15,269,288	15,269,288
Prepayments	127,667,894	170,391,318
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	293,719,350	265,281,348
Of which: Interest receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	3,707,459,084	3,573,538,507
Of which: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	37,528,487	37,528,487
Other current assets	210,123,938	215,072,326
Total current assets	9,214,475,532	9,073,511,339
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	77,368,731	79,389,411
Long-term equity investments	86,485,267	85,352,717
Other equity instrument investments	35,877,723	35,877,723
Other non-current financial assets	12,216,550	12,093,150

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Investment properties	312,167,712	316,529,855
Fixed assets	1,355,853,313	1,365,648,334
Construction in progress	68,359,209	107,795,924
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,375,293,419	2,502,807,163
Intangible assets	886,759,141	841,812,406
Of which: Data resources		
R&D expenditures		
Of which: Data resources		
Goodwill	5,756,158,728	5,756,158,728
Long-term deferred expenses	714,302,707	734,121,761
Deferred tax assets	120,140,233	116,703,610
Other non-current assets	17,034,356	17,051,558
Total non-current assets	11,818,017,089	11,971,342,340
Total assets	21,032,492,621	21,044,853,679
Current liabilities:		
Short-term loans	1,196,081,463	1,656,884,090
Borrowings from central bank		
Funds borrowed		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	4,792,116,789	4,546,258,111
Accounts payable	2,228,645,316	2,008,964,593
Advances received	16,293,310	18,293,769
Contract liabilities	188,930,219	195,193,795
Financial assets sold for repurchase		
Deposits from customers and interbank placements		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Payroll payable	339,734,345	430,424,756
Taxes and dues payable	178,440,421	191,184,507
Other payables	612,534,988	653,535,414
Of which: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,095,334,754	1,204,356,466
Other current liabilities	11,696,312	14,443,599
Total current liabilities	10,659,807,917	10,919,539,100
Non-current liabilities:		
Reserves for insurance contracts		
Long-term loans	1,402,816,137	1,397,226,137

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Bonds payable		
Including: Preference shares		
Perpetual bond		
Lease liabilities	1,505,250,406	1,522,516,044
Long-term payables		
Long-term employee compensation payable		
Provisions		
Deferred income	12,758,732	12,925,575
Deferred tax liabilities	36,594,118	36,696,534
Other non-current liabilities		
Total non-current liabilities	2,957,419,393	2,969,364,290
Total liabilities	13,617,227,310	13,888,903,390
Total owner's equity (or shareholder's equity):		
Paid-in capital (or capital stock)	760,095,613	760,231,174
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserves	1,969,017,339	1,970,466,686
Less: Treasury stock	15,350,449	16,935,356
Other comprehensive income	15,231,092	15,231,092
Special reserve		
Surplus reserve	301,549,640	301,549,640
General risk reserve		
Undistributed profits	3,801,283,066	3,550,314,034
Total equity attributable to owners of the parent company (or shareholder's equity)	6,831,826,301	6,580,857,270
Minority interests	583,439,010	575,093,019
Total owner's equity (or shareholder's equity)	7,415,265,311	7,155,950,289
Total liabilities and owner's equity (or shareholder's equity)	21,032,492,621	21,044,853,679

Principal of the Company: Xie Zilong Person in Charge of Accounting Work: Chen Lishan Person in Charge of Accounting Department: Shi Lei

LBX Pharmacy Chain Joint Stock Company

Consolidated Income Statement

January - March 2025

Prepared by: LBX Pharmacy Chain Joint Stock Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First Quarter 2025	First Quarter 2024
I. Total operating income	5,435,220,089	5,539,130,441
Of which: Operating income	5,435,220,089	5,539,130,441
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	5,088,365,773	5,093,418,767
Of which: Operating cost	3,575,169,042	3,589,383,142
Interest expense		
Fee and commission expense		
Surrender value		
Net claims paid		
Net change in insurance contract reserves		
Expenditures for policy dividends		
Reinsurance expense		
Taxes and surcharges	19,606,254	17,547,368
Selling expenses	1,178,098,269	1,196,979,024
Administrative expenses	269,319,579	246,840,704
R&D expenses	8,405,207	196,068
Financial expenses	37,767,422	42,472,461
Including: Interest expenses		
Interest income		
Add: Other income	16,365,873	14,526,180
Investment income (loss indicated with "-")	1,710,371	944,372
Including: income from investments in associates and joint ventures		
Gain on derecognition of financial assets measured at amortized cost		
Exchange gains (losses indicated with "-")		
Net gains (losses indicated with "-") on net investment hedges		
Income from changes in the fair value (loss indicated with "-")		
Credit impairment losses (losses indicated with "-")	-172,263	2,442
Asset impairment losses (losses indicated with "-")	144,065	5,605
Asset disposal income (losses indicated with "-")	-757,855	1,490,776
III. Operating profits (loss indicated with "-")	364,144,507	462,681,049
Add: non-operating income	4,853,057	3,030,512
Less: non-operating expenditures	2,769,204	5,079,713
IV. Profit before tax (Total loss indicated with "-")	366,228,360	460,631,848
Less: income tax expenses	78,503,678	94,348,051

LBX Pharmacy Chain Joint Stock Company

V. Net Profit (Net loss indicated with "-")	287,724,682	366,283,797
(I) By operating continuity		
1. Net profit from ongoing operations (net loss indicated with "-")	287,724,682	366,283,797
2. Net profit from discontinued operations (net loss indicated with "-")		
(II) By ownership attribution		
1. Net profit attributable to shareholders of the parent company (net loss indicated with "-")	250,636,310	321,257,612
2. Minority interest income (net loss indicated with "-")	37,088,372	45,026,185
VI. Net amount of other comprehensive income after tax		
(I) Net amount of other comprehensive income attributable to owners of the parent company after tax		
1. Other comprehensive income that cannot be reclassified to profit or loss		
(1) Remeasurement changes in defined benefit plans		
(2) Other comprehensive income under equity method that cannot be transferred to profit or loss		
(3) Fair value changes of other equity instrument investments		
(4) Fair value changes due to own credit risk of the enterprise		
2. Other comprehensive income that will be reclassified to profit or loss		
(1) Other comprehensive income under equity method that can be transferred to profit or loss		
(2) Fair value changes of other debt investments		
(3) Amount reclassified to other comprehensive income from financial assets		
(4) Credit impairment provision for other debt investments		
(5) Cash flow hedge reserve		
(6) Foreign currency translation differences		
(7) Other		
(II) Net amount of other comprehensive income attributable to minority interests after tax		
VII. Total comprehensive income	287,724,682	366,283,797
(I) Total comprehensive income attributable to owners of the parent company	250,636,310	321,257,612
(II) Total comprehensive income attributable to minority interests	37,088,372	45,026,185
VIII. Earnings per share (EPS)		
(I) Basic EPS (RMB/share)	0.33	0.42
(II) Diluted EPS (RMB/share)	0.33	0.42

LBX Pharmacy Chain Joint Stock Company

For business combinations involving enterprises under common control occurring during the period, the net profit realized by the combined party before the combination was: RMB 0, and the net profit realized by the combined party in the previous period was: RMB 0.

Principal of the Company: Xie Zilong Person in Charge of Accounting Work: Chen Lishan Person in Charge of Accounting Department: Shi Lei

Consolidated Cash Flow Statement

January - March 2025

Prepared by: LBX Pharmacy Chain Joint Stock Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First Quarter 2025	First Quarter 2024
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	5,962,689,738	6,176,854,214
Net increase in customer deposits and interbank placements		
Net increase in borrowings from central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in policyholder deposits and investment funds		
Cash received from interest, fees, and commissions		
Net increase in funds borrowed		
Net increase in funds from repurchase agreements		
Net cash received from securities trading on behalf of clients		
Refund of taxes and levies	1,630,258	407,556
Other cash received from operating related activities	164,568,300	172,755,938
Subtotal of cash inflows of operating activities	6,128,888,296	6,350,017,708
Cash paid for purchasing goods and receiving services	3,831,806,465	4,290,081,412
Net increase in customer loans and advances		
Net increase in placements with central bank and other banks		
Cash paid for claims of original insurance contracts		
Net increase in funds lent		
Cash paid for interest, fees, and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	957,930,913	1,035,047,110
Tax payments	231,130,419	263,338,004
Other cash paid for operating related activities	303,753,624	344,479,343
Subtotal of cash outflows of operating activities	5,324,621,421	5,932,945,869
Net cash flows from operating activities	804,266,875	417,071,839
II. Cash flows from investing activities:		
Cash received from return on investments		3,000,000
Cash received from investment income	314,173	
Net cash from disposal of fixed assets, intangible assets and other long-term assets	6,010,837	376,967
Net cash from disposal of subsidiaries and other business units	208,977	10,047

LBX Pharmacy Chain Joint Stock Company

Other cash received from investing related activities		
Subtotal of cash inflows of investing activities	6,533,987	3,387,014
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	56,789,500	49,099,758
Cash paid for investment	412,961	15,485,800
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units	202,500	27,383,357
Other cash paid for investing related activities	550,000	1,800,000
Subtotal of cash outflows of investing activities	57,954,961	93,768,915
Net cash flows from investing activities	-51,420,974	-90,381,901
III. Cash flows from financing activities:		
Cash received by investors		678,326
Including: cash received by subsidiaries from investments of minority shareholders		
Cash received from loans	5,590,000	530,412,321
Other cash received from financing related activities		
Subtotal of cash inflows of financing activities	5,590,000	531,090,647
Cash paid for repayment of debts	460,324,535	444,870,000
Cash paid for allocation of dividends and profits and payment of interest	32,694,593	20,601,357
Including: dividends and profits paid by the subsidiaries to the minority shareholders	23,419,644	12,000,641
Other cash paid for financing related activities	314,592,760	336,394,459
Subtotal of cash outflows of financing activities	807,611,888	801,865,816
Net cash flows from financing activities	-802,021,888	-270,775,169
IV. Effect of exchange rate change on cash and cash equivalents		170
V. Net increase in cash and cash equivalents	-49,175,987	55,914,939
Add: Beginning balance of cash and cash equivalents	986,765,821	936,501,157
VI. Ending balance of cash and cash equivalents	937,589,834	992,416,096

Principal of the Company: Xie Zilong Person in Charge of Accounting Work: Chen Lishan Person in Charge of Accounting Department: Shi Lei

(III) First-time adoption of new accounting standards or interpretations, etc., in 2025 involving adjustment of the financial statements at the beginning of the first year of adoption

☐ Applicable ☒ Not Applicable

This announcement is hereby made.

Board of Directors of LBX Pharmacy Chain Joint Stock Company
April 29, 2025