



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

2022 Interim Results Briefing

August 2022



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FINANCIAL RESULTS AND BUSINESS UPDATES

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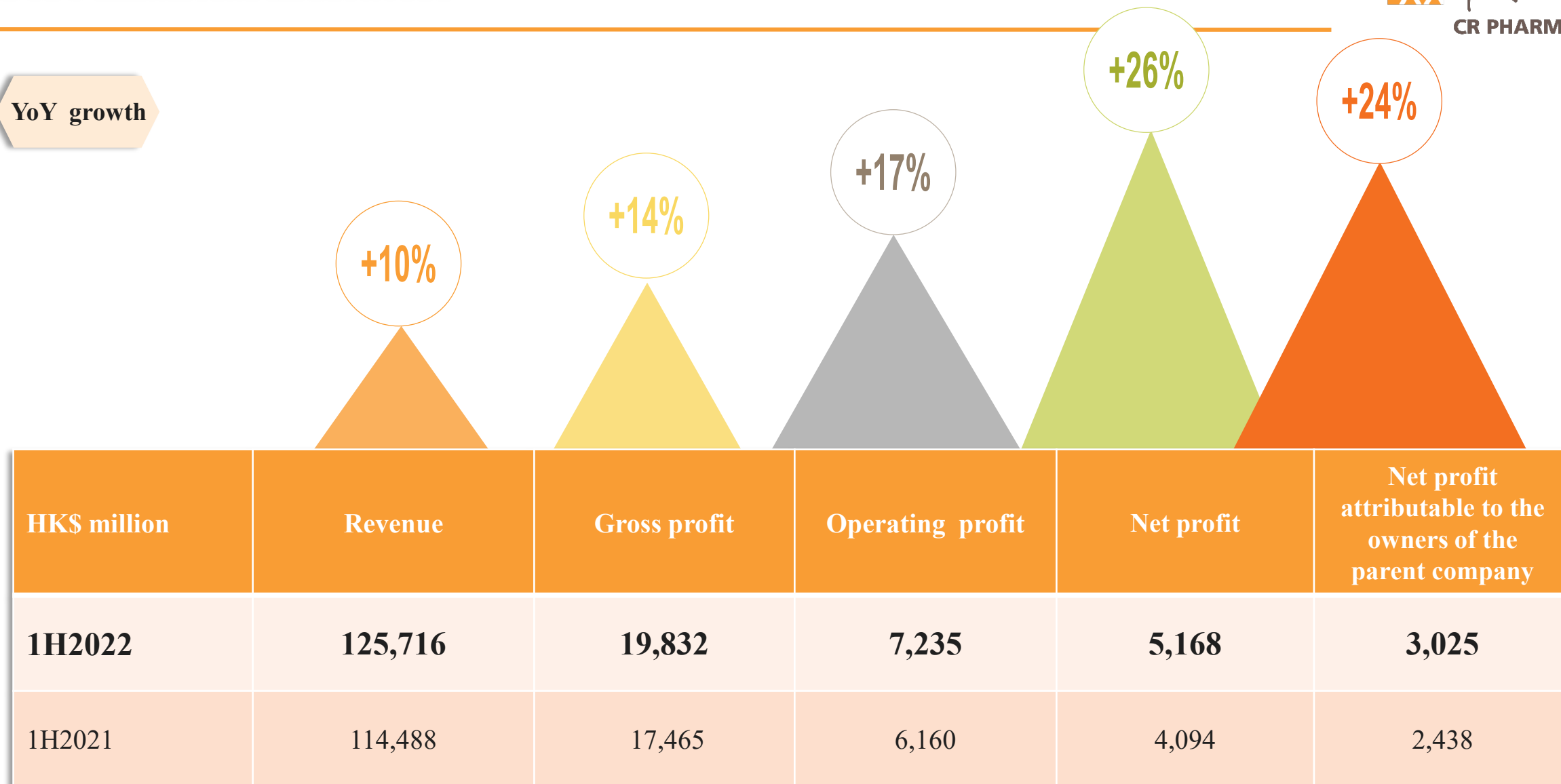
DEVELOPMENT STRATEGIES

3

APPENDIXES

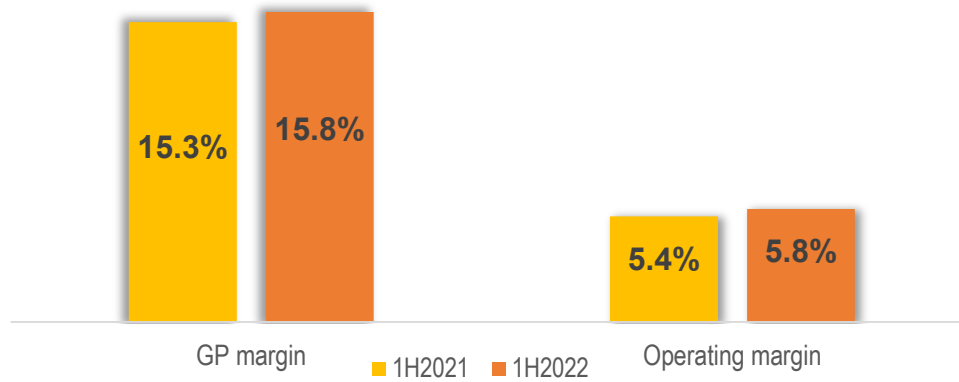
Core financial indicators

YoY growth

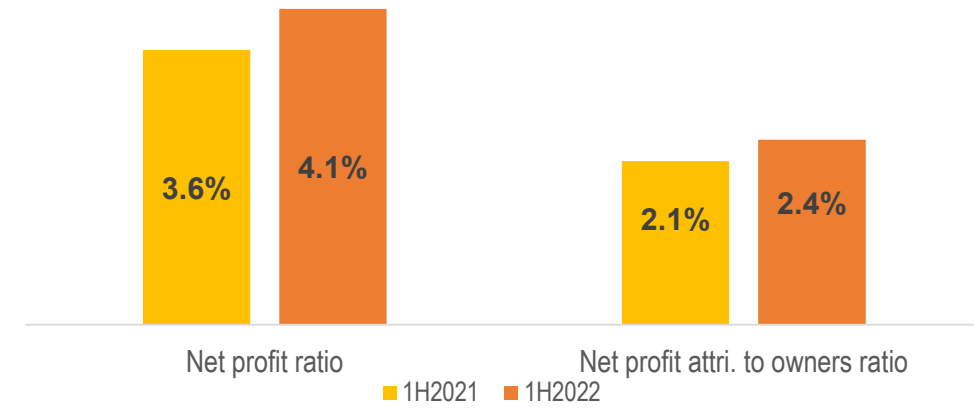


Profit margin and operating cash flow

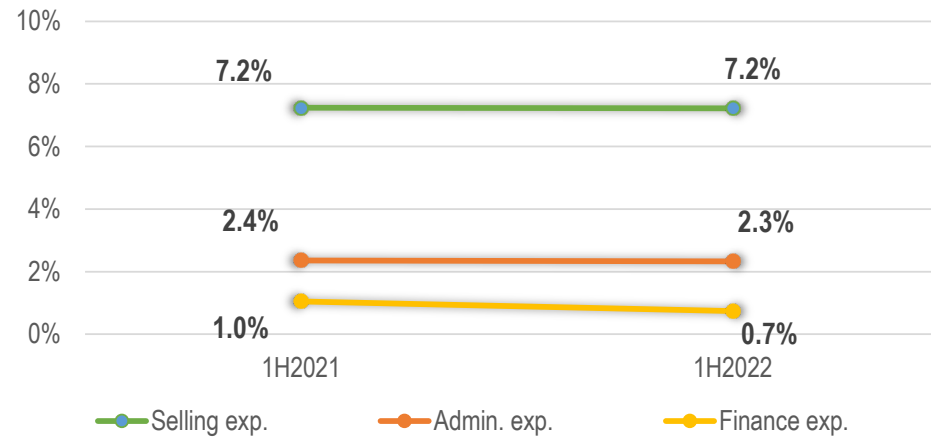
GP Margin & Operating Margin



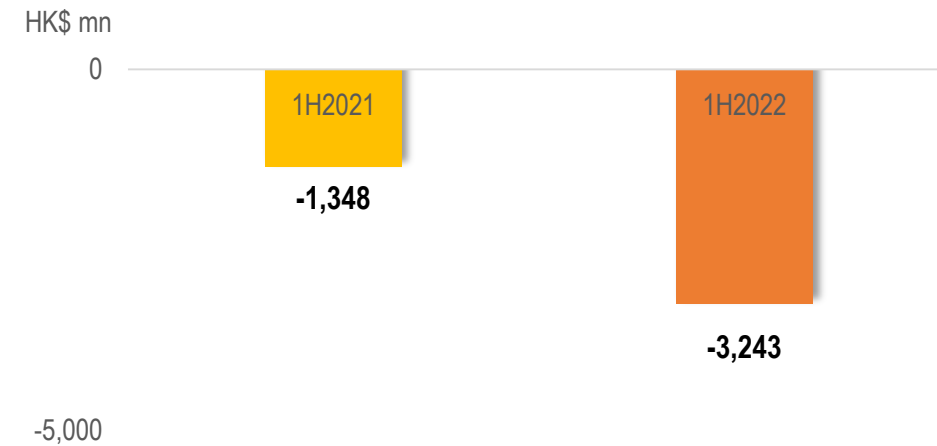
Net Profit Ratio



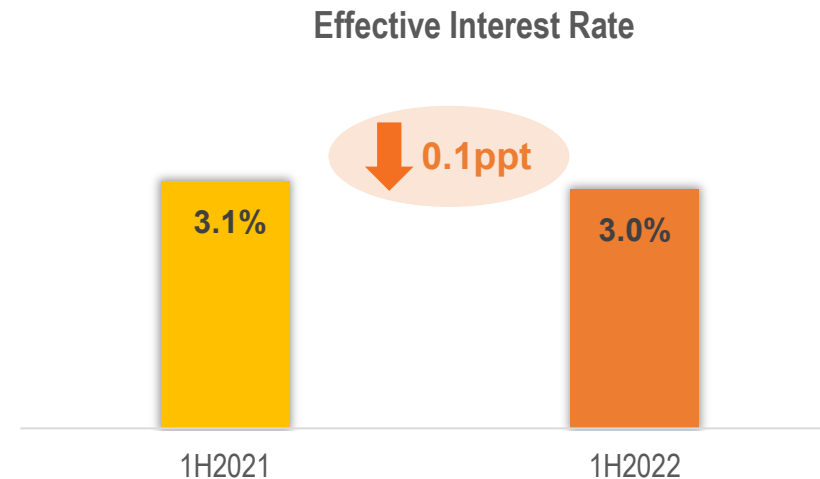
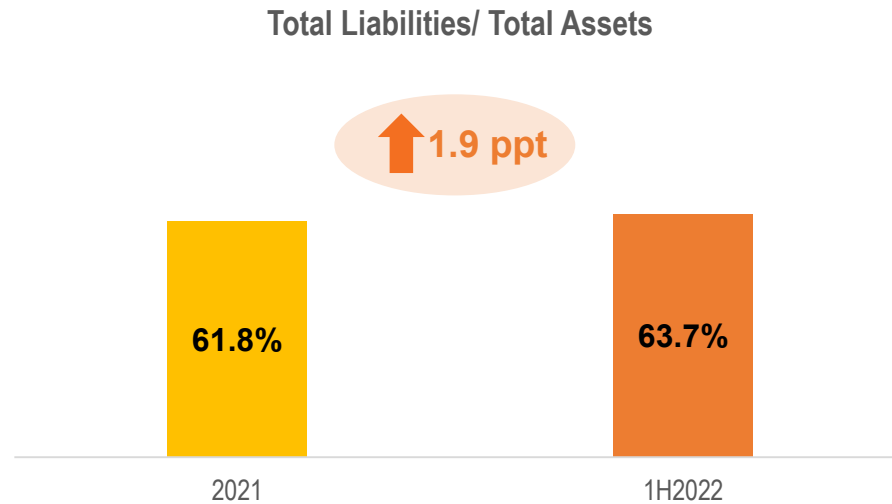
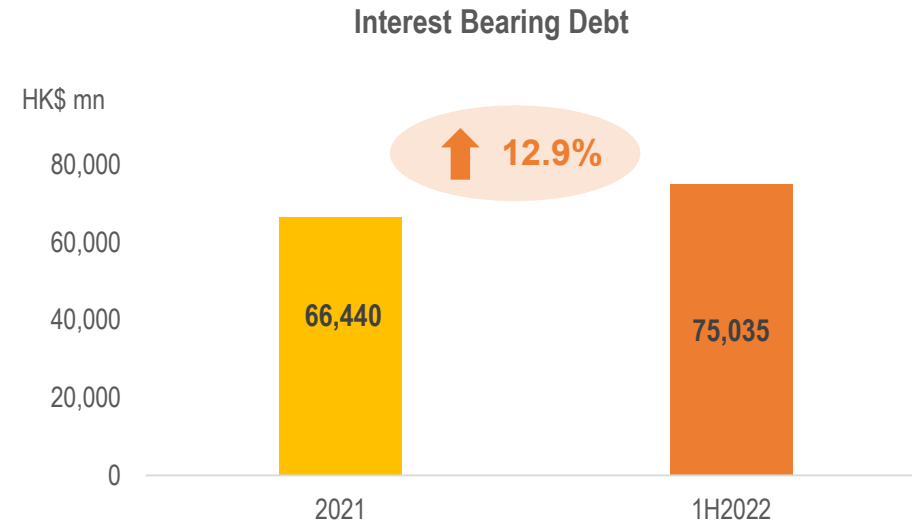
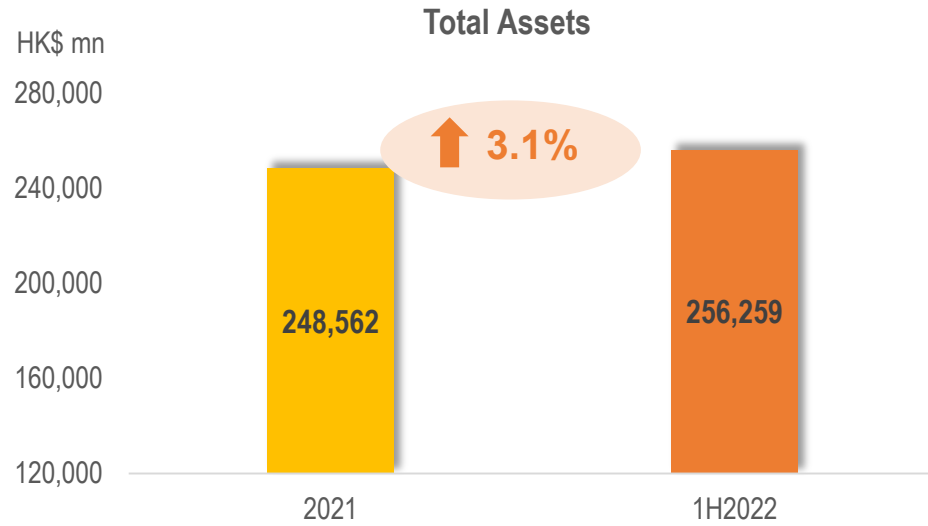
Operating Expense Ratios



Net Cash from Operating Activities

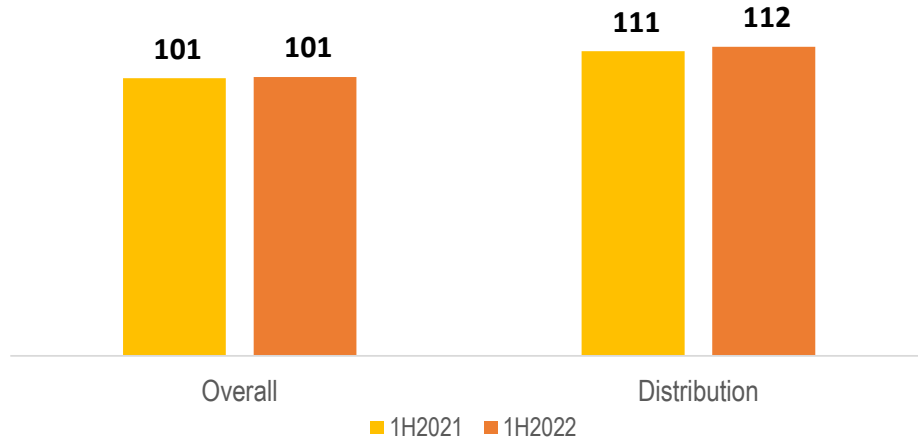


Debt ratio and average financing cost

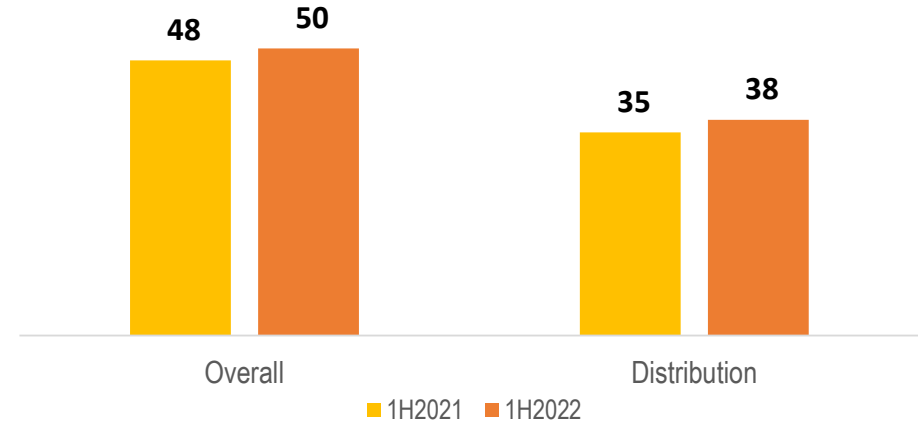


Working capital turnover

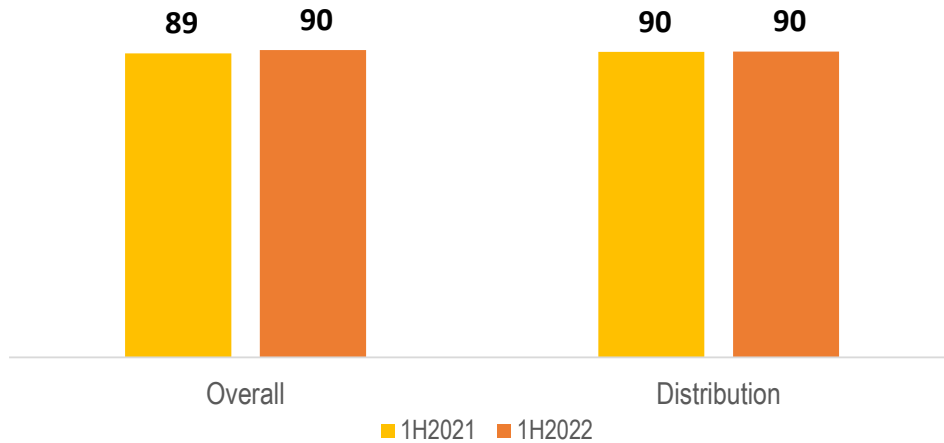
Trade Receivable Turnover Days



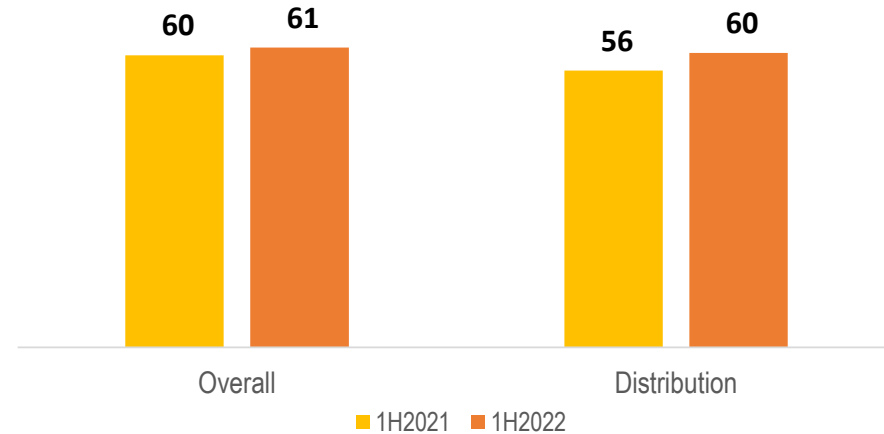
Inventory Turnover Days



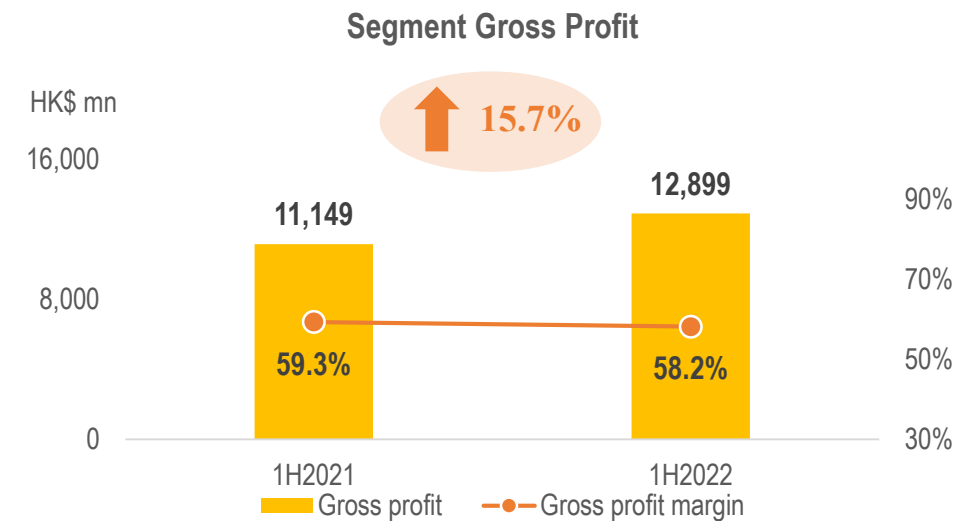
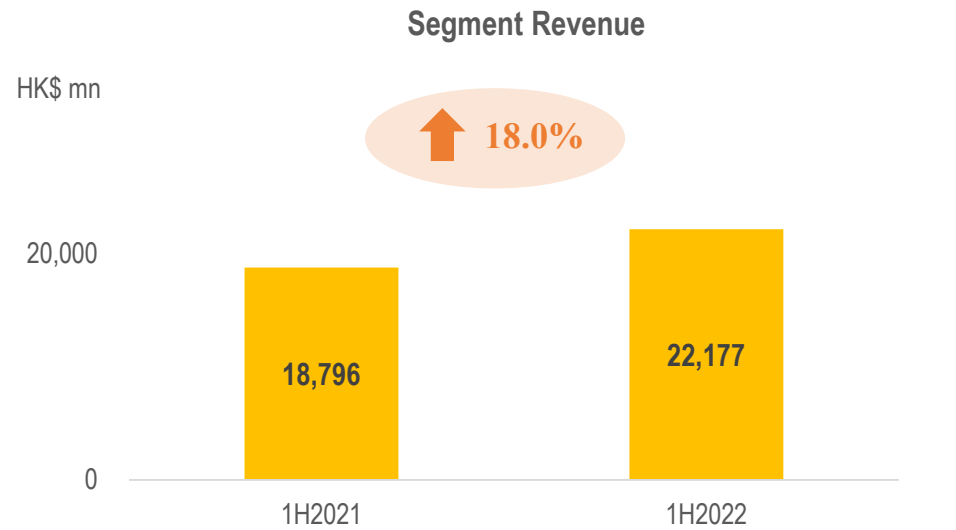
Trade Payable Turnover Days



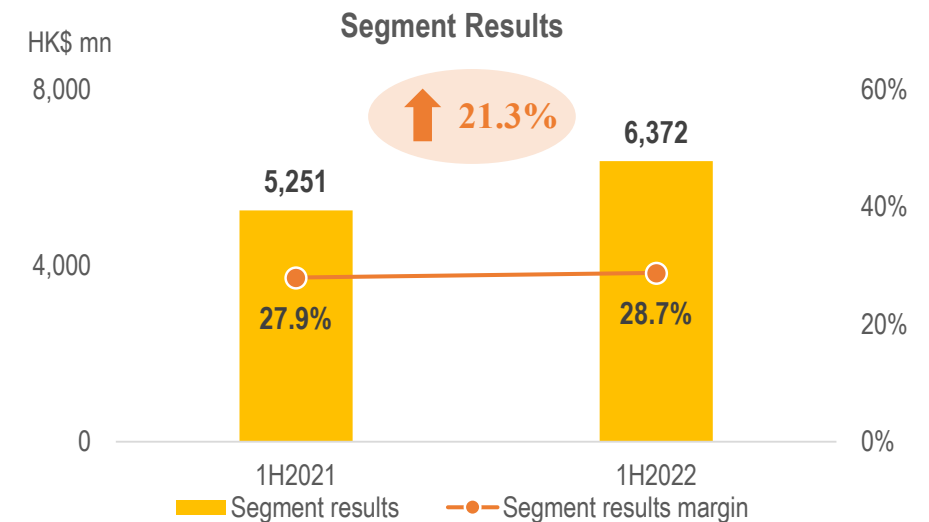
Cash Conversion Cycle



Manufacturing business



- Segment revenue was HK\$22.18 billion in 1H2022, representing an increase of 18.0% YoY, and the consumer healthcare, prescription drug and Biopharma businesses saw increases in revenue
- GP and segment results of the pharmaceutical manufacturing segment increased by 15.7% and 21.3%, respectively. GP margin was 58.2%, down by 1.1ppt YoY
- Comprehensive portfolio of pharmaceutical products with wide coverage of therapeutic areas. Manufacturing 600 products in production, of which 327 products were included in National Reimbursement Drug List and 146 products in National Essential Drug List



Continuously upgrade the TCM industrial chain, and consolidate leading position in CHC industry



Strengthen the management of the whole TCM industrial chain

- In June, CR Sanjiu, CR Jiangzhong and Dong-E-E-Jiao were listed among the first batch of “**Members of the Community for the Promotion of High-quality Development of Chinese Medicine**”
- **CR Sanjiu:** rationalised resource planning and allocating among the upstream, midstream and downstream of industrial chain. In May, CR Pharma, CR Sanjiu and Holley Pharma signed a strategic cooperation agreement and a share purchase agreement respectively, pursuant to which CR Sanjiu intended to **purchase 28% shares in KPC**, thereby achieving an organic integration of the advantages in upstream supply chain, marketing platform, channel and terminal, brand-building, R&D and innovation
- **CR Jiangzhong:** monitored key procedures such as breeding, planting and processing for key medicinal materials in the upstream, and conducted space breeding for Radix Seudostellariae, a crucial raw material of the company’s core product Jianwei Xiaoshi tablet
- **Dong-E-E-Jiao:** the constitutor of E-jiao industry standards, comprehensively promoted the implementation of the manufacturing practice of Chinese medicinal donkey-hide to control the quality of raw materials of E-jiao from the source, and initiated the first research subject for donkey gene sequencing in the world



Enhance the market competitiveness of CHC business

- By accelerating new product launching and cooperating with external parties, **the CHC business recorded revenue of HK\$10.27 billion in 1H2022**, representing a YoY growth of 9.1%, which further consolidated our competitive advantages
- **CR Sanjiu:** continuously replenished products for e-commerce channels and **reached a strategic cooperation with Winner Medical**, whereby both parties will exert dual-brand synergies to jointly expand the great health sector
- **CR Jiangzhong:** launched a number of **new products in the great health sector**, such as White Kidney Bean Probiotic Tablet Candies
- **Dong-E-E-Jiao:** further **enriching its Chinese tonics** (e.g., E-Jiao Red Date Black Sesame Pills)
- **CR Zizhu:** reached a strategic cooperation with Hisun Pharma and became a **principal agency of Orlistat Tablets in China market**. Orlistat Tablets is the unique slimming medicine approved by NMPA



Accelerate innovative transformation, optimize business layout and continue to expand overseas presence

CR Double-Crane has built an innovative technology platform for anti-tumor and antiviral drugs



- DC05F01, introduced from a U.S. company Novita, was expected to become **the world's first new FIC drug specialized in treating tumor metastasis** and its clinical trials in China officially commenced in March. CR Double-Crane has exclusive authorization to develop, manufacture and commercialize the product in Greater China
- CR Double-Crane obtained exclusive rights from a U.S. company Ligand to develop, manufacture and commercialize the potential Best-in-class Class I new drug **LGN-20, an oral RdRp inhibitor drug candidate for COVID-19**, in Asian region (excluding Israel, Russia and Turkey). CR Double-Crane has **expedited the R&D of oral anti-COVID drugs**, and can access the prodrug technology BEPro



Accelerate launching of new chemical drug products to enrich product mix

In 1H2022, **9** chemical drugs sector were approved for production. Among them, **for-tracking-purpose Mitoxantrone Hydrochloride Injection a Class II new drug was approved** for commercialization. The drug can be used for tracking sentinel lymph node of breast cancer



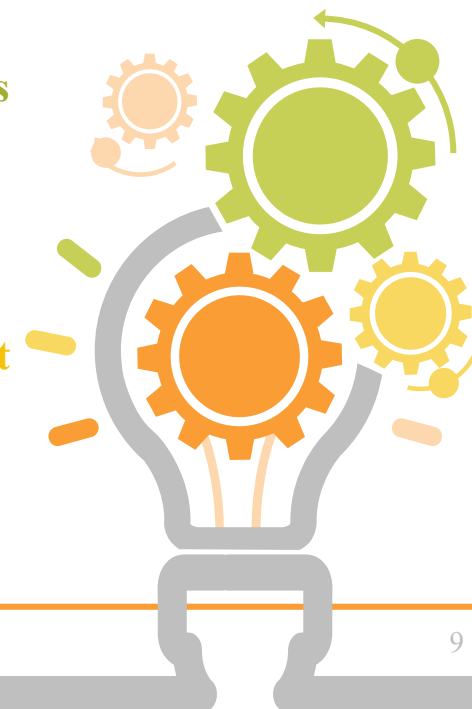
Improve business presence in biopharma sector and proactively cooperate with external parties

- The business presence in original biological drugs, modified innovative drugs and biosimilar drugs has been improved with **9 biopharma products manufactured at the end of 1H2022**
- CR Biopharma and ABS, a U.S. company, reached an exclusive cooperation regarding **the Covid-19 neutralizing antibody project ABS-VIR-001**; and an exclusive cooperation with Yourui Biomedical (优锐生物) to jointly develop **the first-in-class Precisely Targeting and Total Immune Activation Project (PTIA1)** around the globe



Integrate the synergy among internal resources and step up international business development

- Integrated the synergy of international markets, channels and resources among business segments. **In 1H2022, exports of the pharmaceutical manufacturing segment exceeded RMB470 million**
- CR Boya Biopharma recorded export sales of intravenous immunoglobulin to Brazil of RMB70 million, while CR Double-Crane's exports exceeded RMB300 million, with its subsidiary Tiandong Pharma exporting APIs to 31 countries. CR Zizhu recorded exports of APIs and preparations of steroid hormones of RMB60 million



Continuously increase R&D investment and improve the R&D platform



Significant increase in R&D expenditure

- **R&D expenditure** for 1H2022 amounted to HK\$1.0 billion, representing a YoY increase of 34.5%
- As at the end of 1H2022, there were **nearly 300 ongoing new product R&D projects** including nearly 100 new drug projects, and there were **nearly 2,000 R&D staff**. There were **30 biological drug projects under development** including 22 for new biological drugs, focusing on anti-tumor, immunity, endocrine and other therapeutic fields
- For 1H2022, **4 products have been approved for clinical trial**; 26 products have been at the stage of drug registration; **9 products have been approved for production**; and **8 products have passed the consistency evaluation**, among which Gliquidone Tablets were the first of its kind to pass the evaluation



Improving the construction of R&D platform

Shenzhen R&D Center is in sound operation, with two major R&D platforms of bio-innovative drugs and chemical innovative drugs. The **bio-innovative drugs platform** is mainly dedicated to new drugs design of monoclonal antibodies, double antibodies, nanobodies and polypeptide drugs empowered by AI technology, the innovative pichia pastoris expression system technology of East China University of Science and Technology have been verified and transferred and five R&D projects of new biological products have been established. The **chemical innovative drugs R&D platform** focuses on novel targets for tumor, autoimmunity and other major diseases, and two pre-research projects targeting at tumor have been established



Significant progress in the R&D of Class 1 innovative drugs

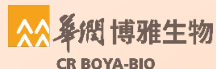
- **NIP003**, a novel FXIa inhibitor with global intellectual property rights **for the prevention of arteriovenous thrombosis, has started Phase I clinical trial**. **NIP001**, a Class 1 new drug in blood field, has been approved for clinical trials for treating renal anemia. **NIP292**, which treats **idiopathic pulmonary fibrosis** and has global intellectual property rights, **has completed MAD 2nd dose group study**. **NIP046** is designed for a variety of autoimmune diseases and **has completed MAD 2nd dose group study**. **NIP142**, which is used to treat **mutant non-small cell lung cancer**, has **started Phase I clinical study**
- **Jiangshi granules**, a Class 1 innovative TCM, has been approved for clinical trials for the treatment of irritable bowel syndrome with spleen and stomach weakness



Exploring external cooperation for innovation

- Advancing strategic cooperation with **Fuwai Hospital** in the field of cardiovascular disease. Developing a strategic cooperation with **The Third People's Hospital of Shenzhen / National Clinical Research Center for Infectious Diseases of Shenzhen** in the research and development of new drugs, diagnostic reagents and innovative vaccine products in the field of infectious diseases
- **CR Jiangzhong** launched a joint study with Jinan University and the Institute of Materia Medica of Chinese Academy of Medical Science on **“anti-AD candidate innovative drug IMMJNU-018”**, to enrich the pipeline of TCM new drugs
- **A number of projects under development licensed-in by CR Sanjiu progressed smoothly**. **QBH-196**, a new Class I small-molecule targeted anti-tumor drug, is in Phase I clinical trial. **ONC201**, a new drug for H3K27M mutant glioma, is in the production research stage

Strengthen post-M&A integration and resource synergy to gain new momentum for performance growth



Promoting business and resource integration with CR Boya Biopharma

- In November 2021, the Group **became the controlling shareholder of CR Boya Biopharma** and positioned it as the blood products business platform
- CR Pharma assisted CR Boya Biopharma to conduct cooperation and communication with various provinces and appointed investment professionals to be responsible for the **expansion of plasma collection centers**, investment and M&A. In May, CR Boya Biopharma entered into the Strategic Cooperation Framework Agreement with Gaotejia. The Group and CR Boya Biopharma established a joint project group of intelligent factory to **build a new plasma products production base** with a designed capacity of 1,800 tons/year of plasma for the first phase. CR Boya Biopharma intended to transfer its 75% equity interests in Guangdong Fuda to CR Pharma Commercial. The synergistic integration is progressing smoothly as planned. In August, Human Coagulation Factor VIII was approved for production
- In 1H2022, **recorded an excellent performance**, net profit attributable to the parent company increased by 41% and revenue from plasma products increased by 17%



Enabling Haisi Pharma to explore OTC channel

- In September 2021, **CR Jiangzhong acquired 51% equity interest of Haisi Pharma**, whose blockbuster product BIFIDO mainly treats symptoms such as acute and chronic diarrhea and constipation caused by enteric dysbacteriosis
- CR Jiangzhong actively promoted the channel integration and synergy with Haisi Pharma and strengthened the conceptual relationship between “Lihuo” Lacidophilin Tablets and “ BIFIDO ”. **“ BIFIDO ” was introduced** and sold through the existing **OTC retail channels** in 13 provinces, enabling Haisi Pharma to explore OTC channel resource. CR Jiangzhong achieved **cost reduction** through lean management and reducing energy consumption
- For 1H2022, **core financial indicators** of Haisi Pharma such as revenue and net profit **all realized a significant growth**

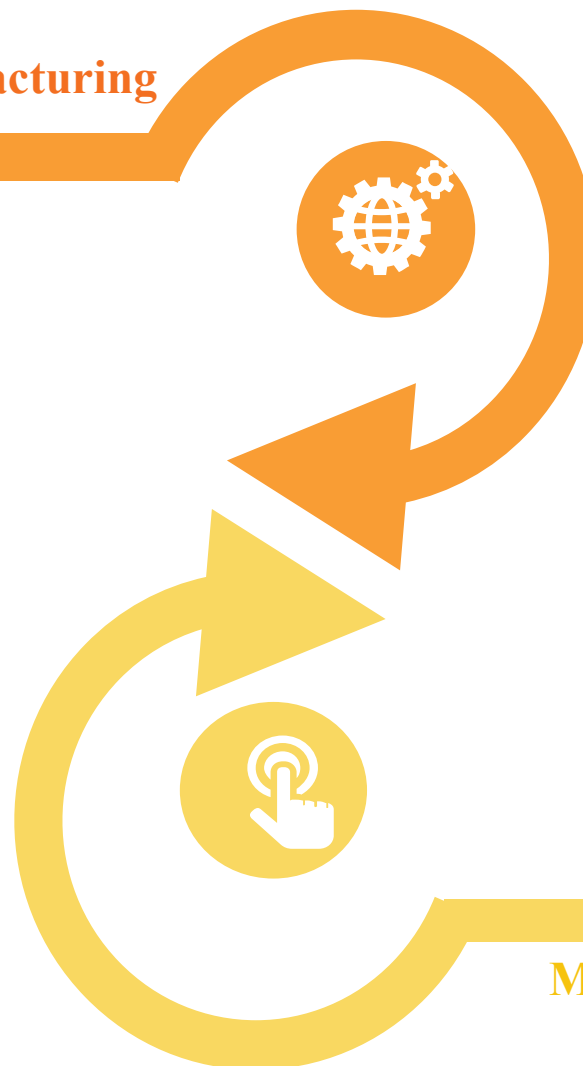


Key financial indicators of Aonuo Pharma grew rapidly

- In January 2020, **CR Sanjiu acquired 100% equity interest in Aonuo Pharma**, whose blockbuster product named calcium and zinc gluconates oral solution under the brand “Aonuo” , was a major calcium supplement for children in China
- CR Sanjiu conducted **upgrading of product and brand** for the products of Aonuo Pharma, and actively transformed “Aonuo” from a channel brand to a consumer brand. CR Sanjiu helped Aonuo Pharma **expand national market** and strengthened coverage of terminal channels in large-scale chain pharmacies as well as carrying out **online business** and its product sales ranked first in related categories during the period of “Double Eleven” in 2021
- The **key financial indicators** of Aonuo Pharma have **grew rapidly since the acquisition**

Continuous upgrades of intelligent manufacturing

- **CR Sanjiu: The Modern TCM Manufacturing Intelligent Factory project of CR Jinchan** was selected as one of the “Intelligent Factories and Digital Workshops in Anhui Province 2022”; built **Chenzhou TCM Smart Factory** as the extraction center in South China and to complete the construction within the year
- **CR Double-Crane:** Accelerating the construction of a **digital factory model** in industrial park division to strengthen the meticulous and intelligent management by centering Manufacturing Management System
- **CR Jiangzhong: Ganjiang New Area TCM Science and Technology Innovation City** to put into operation in 2023
- **Dong-E-E-Jiao:** Digitalization of production line has been improved by AI technologies
- **CR Boya Biopharma: Plasma Products Intelligent Factory project** has commenced the construction work

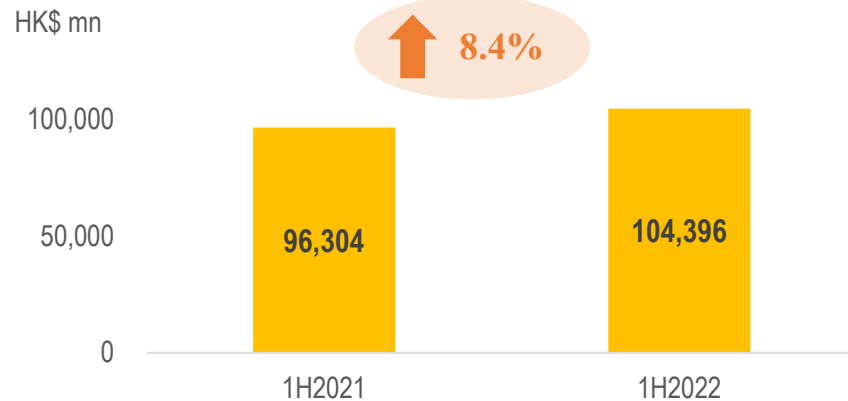


Through efficient and accurate data acquisition and analysis, the Group quickly attained market insight, customer profiling and made marketing decisions, the pharmaceutical manufacturing segment achieved a **60% YoY growth in online sales in 1H2022**

The Intelligent **and digital center** has been established by CR Sanjiu. In the “618” shopping festival, Essentiale ranked first for the second year in the OTC liver and gallbladder medicine brand category in terms of brand traffic and transaction volume. CR Double-Crane promoted the **digital marketing business of the “Cloud”** project through establishing a direct supply and marketing system with e-commerce platforms such as JD.com. A complete **brand membership management system** was built by CR Jiangzhong with the number of e-commerce members reaching 450,000, an increase of 103% as compared to the end of last year. In the “618” event, **the sales of e-commerce self-operated pharmacies of Dong-E-E-Jiao increased by 93% YoY.** CR Zizhu expanded personal care category of Yuting’s online flagship pharmacies

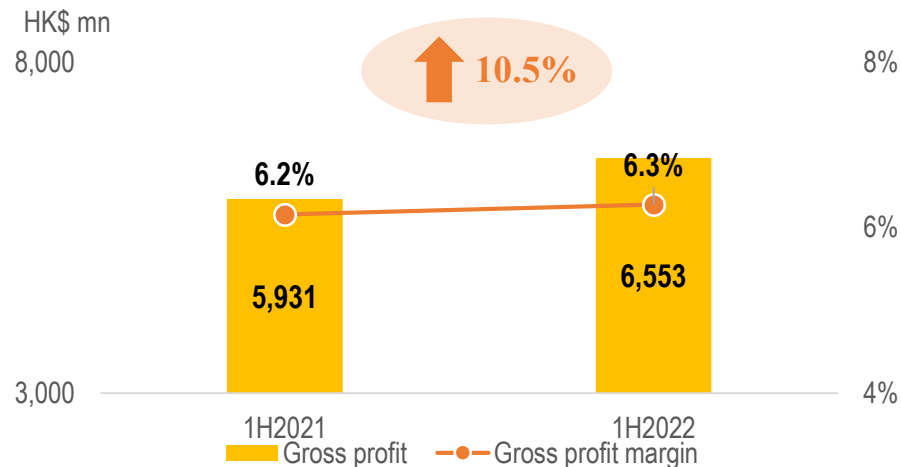
Multi-channel to enhance online marketing

Segment Revenue

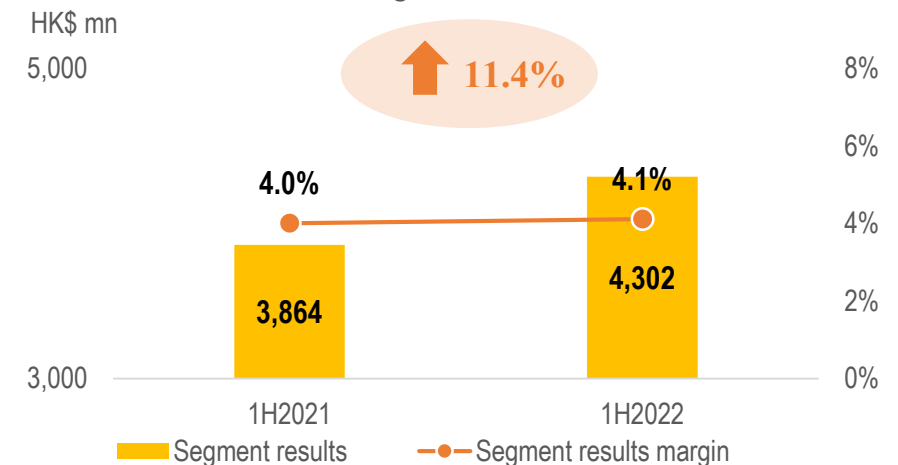


- Recorded segment revenue of HK\$104.40 billion, representing a YoY growth of 8.4%; segment GP of HK\$6.55 billion, representing a YoY growth of 10.5%; GP margin of 6.3%, representing a YoY growth of 0.1ppt
- The distribution network covered 28 provinces with approximately 120,000 clients, including nearly 9,000 2nd and 3rd class hospitals, and achieved a 17% YoY growth in sales to other distributors
- Has built a logistics visualization center to strengthen the construction of a specialised, large-scale and standardized modern logistics system, with 204 logistics centers. Achieving third-party logistics revenue of about RMB150 million in 1H2022

Segment Gross Profit



Segment Results



Improve capabilities of obtaining upstream high-quality resources and providing international business services

Strengthen the introduction and management of product resources



- Entering into strategic cooperation with **COVID-19 drug companies** such as Pfizer and Buchang Pharm (步長醫藥); **obtained all 16 innovative drug products** (excluding rare diseases and HIV drugs) **newly approved for marketing and commercialization during the year**; gained multi-channel marketing rights for several significant products from well-known companies such as Sanofi and Pfizer; **the sixth batch of centralized procurement** of in progress, and the average regional **product acquisition rate was 81%**
- Actively planned **product lines for the off-hospital market** for the purpose of building the “Runyao” brand, and coordinated the implementation of eight joint negotiation projects and introduced a total of 160 exclusive distribution/OEM product specifications in 1H2022
- **Expanded in community-level healthcare market**, laid foundation for the primary chronic disease market and acquired exclusive marketing rights for insulin products of Sanofi and Novo Nordisk across several provinces



Actively developing international trading business



- Commencing the operation of the warehouse in the **Jiangsu company trade function area**, improving the synergy of informatization among subsidiaries and promoting comprehensive digital transformation
- **Introducing 4 key imported products with the Company as the general agent**, including Cibinqo, a key product for atopic dermatitis, which was developed and registered by Pfizer globally in parallel, and **achieved import products sales of approximately RMB6.5 billion**
- Stimulating the channels and vitality for port business expansion by adopting joint venture model, assisted domestic manufacturers to expand their overseas business, and achieved **export sales of over RMB700 million**
- Pursuant to the “**Hong Kong and Macao Medical Instrument Connect (港澳藥械通)**” policy, our Guangdong company assisted five hospitals to obtain 28 clinical urgent needed drug approvals and 8 clinical urgently needed device approvals

Integrated and professional medical device distribution business growing rapidly

Revenue of medical device business increased significantly

- Promoting the integrated and professional management of medical device distribution business
- The medical device distribution business expanded rapidly and recorded revenue of **approximately RMB14.3 billion, representing a significant increase of approximately 39% YoY**, reflected by the rapid growth of IVD in vitro diagnostics and general supplies and orthopedics operating in revenue

Strengthening the construction of All specialised product lines

- Accelerating the construction of specialised product lines **with 28 independent medical device companies set up in 17 provinces**
- 34 sub-warehouses established for orthopedics business; building agency relations with WEGO, LDK, etc. for IVD business with a professional IVD diagnostic reagents company established and antigen detection reagents sold in 25 provinces; filling the market gap by introducing products of Lepu Medical and others for interventional supplies business; and advancing the progress in registration of products like molecular diagnostic kits



Enhancing its innovative service capability

- Attaching greater importance to innovative service capability for device business
- **23 new SPD projects** and a new regional comprehensive inspection center project launched, leading to more than 100 SPD and centralized distribution projects at present

Accelerating products introduction and extension of industrial chain

- Accelerating products introduction for medical devices business by acting as **general agency of another 23 manufacturers**, including 6 for IVD business and 3 for orthopedics business
- Actively **promoting large-scale investments in medical devices and extension to the upstream of the industry chain**, represented by establishing a joint venture with Yadu Medical, and promoted the scaling up of IVD joint ventures, SPD cooperative projects and JVs for information services, etc.

Promote 4C innovative service system and lay out the “internet +” field

COE

(Center of Excellence)

Signed COE center construction contracts with over ten hospitals, established a new Internet hospital in Shandong, and undertook the construction of directional triage system for community hospitals in Fangshan District, Beijing

CDP

(C+ Digital Pharma)

The centralized digital platform “Run Xiaoyi” Internet hospital for special diseases/rare diseases has entered the stage of functional testing to create a “Medical + Internet” service ecosystem

Provide Platform Services for Prescriptions

Actively undertook hospital prescription business, and has connected with the prescription business of over 10 hospitals and Internet medical platform, **with the number of prescriptions growing by 110% YoY to 110,000 in 1H2022**



CSO

(Contract Sales Organization)

Sanofi Depakine (Sodium Valproate Injection) project launched exclusive CSO cooperation in several provinces in 1H2022

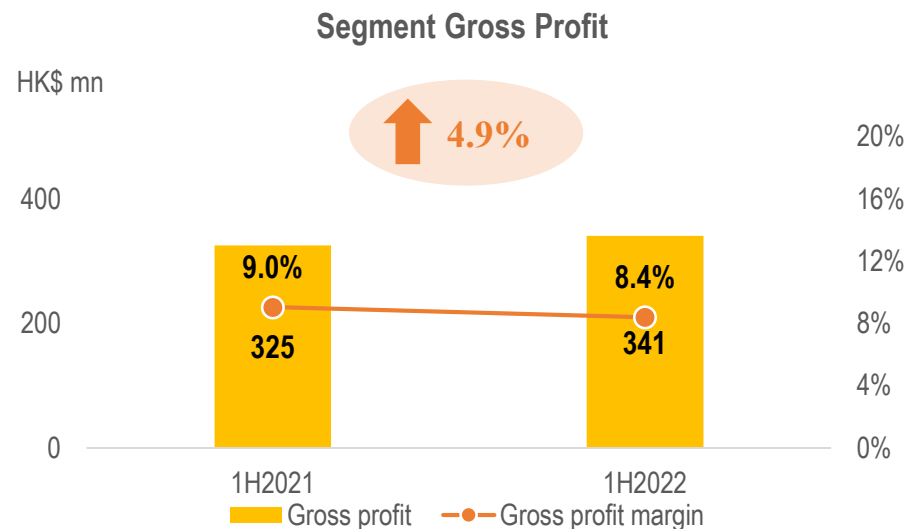
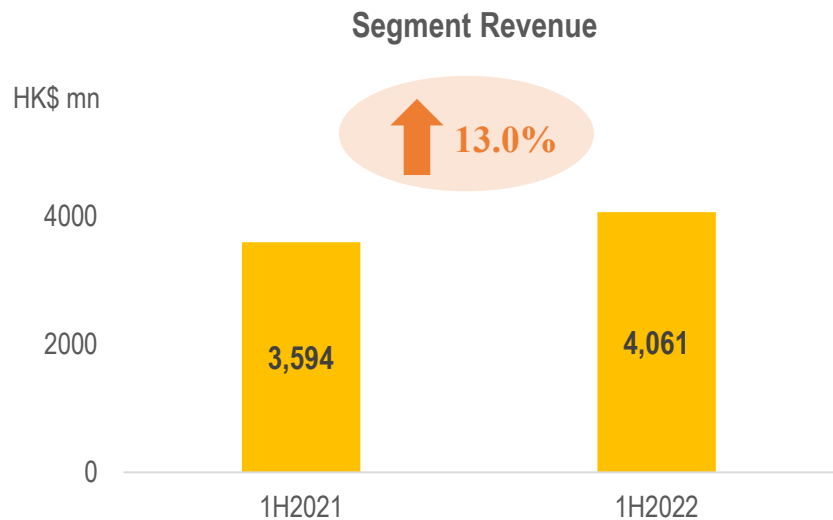
CIP

(Commercial Insurance Payment)

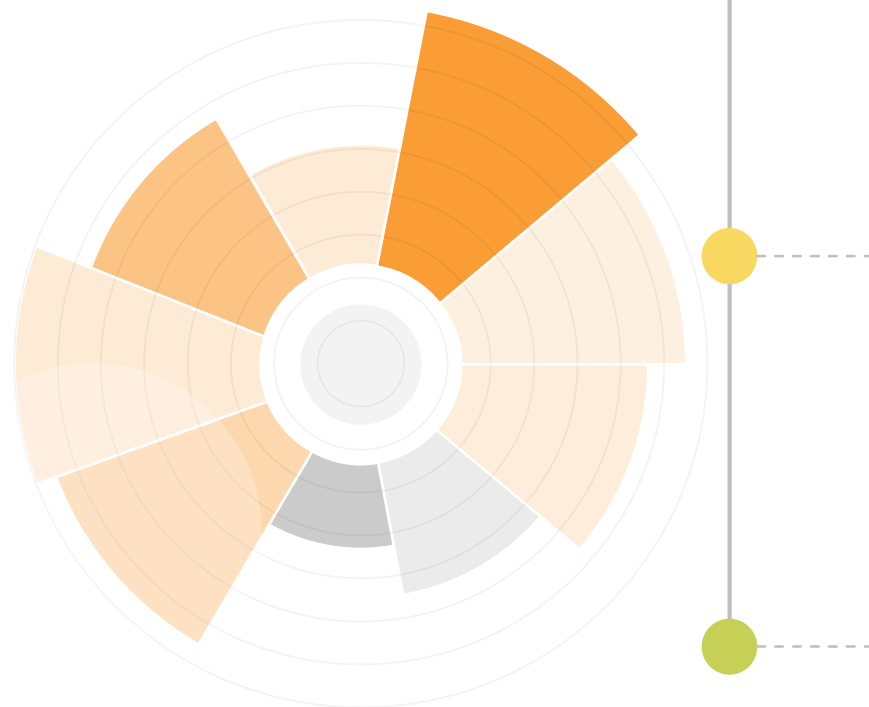
Commercial insurance projects “Meirun Care” and “Purun Care” made a breakthrough in transforming the profit model into service fee charges, and “Jirun Care” has carried out trial operation

Expand Business of CR Pharma e-Pharmacies

CR Pharma e-Pharmacies, the B2B online platform, **recorded a transaction amount of RMB16.5 billion, up 20% YoY**, and accumulated 35,000 active customers and 850,000 orders



- In 1H2022:
 - The retail segment recorded revenue of HK\$4.06 billion, up 13.0% YoY, mainly due to faster growth in revenue of DTP business
 - Segment gross profit of HK\$340 million was recorded, up 4.9% YoY. The segment gross profit margin was 8.4%, down 0.6 percentage point YoY, mainly due to the further increase in the proportion of revenue from DTP business with lower gross profit margin
 - The revenue of DTP business reached HK\$2.42 billion, up 15% YoY, accounting for 72.0% of the retail segment's revenue (up 1.9 ppt YoY)
- By the end of 1H2022, there are a total of 787 retail pharmacies, including 221 DTP pharmacies in 92 cities
- Strengthened business planning and standardized management and control, promoted the construction of integrated operation system and digital construction, accelerated the introduction of high-quality varieties, continued to enrich and optimize offerings categories, and improved the quality of pharmacy operation



Accelerate the development of specialty pharmacies



- Accelerated the deployment of DTP and other specialty pharmacies, and **assisted 21 pharmacies to obtain the "dual-channel" qualification in 1H 2022**, so as to prepare for the outflow of prescriptions (the number of pharmacies with the "dual channel" qualification reached 110)
- Liaised with upstream manufacturers such as Ascentage Pharma, Gloria Pharmaceuticals and Roche Pharmaceutical to discuss the introduction of varieties, **with 7 new DTP specifications introduced**
- **Runyao Garden—Runyao Pharmacist Training provided trainings for all specialty pharmacies** to continuously improve the service standard of professional pharmacists

Develop innovative value-added services



- **Pharma-diagnosis-healthcare complexes** actively connected with the resources of Lepu Medical, Omron, WeDoctor and other resources to provide customers with comprehensive services such as intelligent inspection and testing, online consultation and chronic disease management
- Cooperated with CR Vanguard to set up "**Runde Vanguard**" stores to jointly create a one-stop experience of health and consumption services
- Advanced "**Run Yao Bao**" program for providing patients an exclusive welfare based on its patient-centred service systems

Facilitate new retail development with digital technology



- Established an integrated store covered warehouse and e-commerce, set up a **team for integration and digitization operation of C-end warehouse and e-commerce**, and actively explored private domain operations
- **Significant YoY growth of over 97% in the C-end online business sales**

Fulfill social responsibility, improve corporate governance and enhance the capability of green sustainable development

Leverage advantages brought by its complete industrial chain to combat against the pandemic in multiple ways

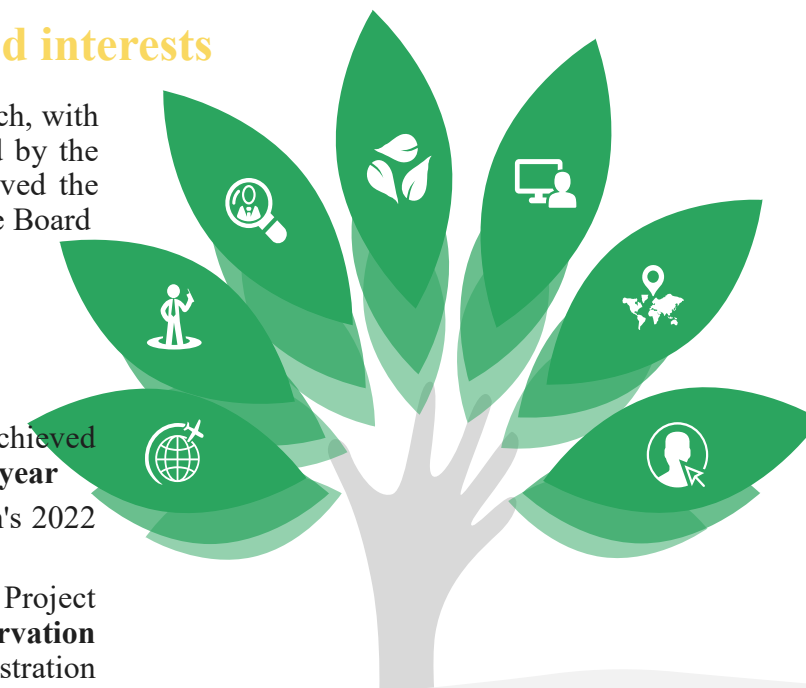
- **Total contribution to the combat against the pandemic exceeded RMB3.7 billion** in 1H 2022, demonstrating its corporate responsibility and social responsibility as a state-owned enterprise
- **CR Double-Crane and CR Pharma Commercial reached strategic cooperation with Genuine Biotech respectively**
- The commercial segment managed **the supply of materials for pandemic prevention to HK**, which recorded total order amount of RMB690 million. In July, CR Pharma Commercial (Guangdong Branch) **delivered the first batch of COVID-19 neutralizing antibody medicines** via cold chain to The Third People's Hospital of Shenzhen

Improve Company's operating mechanism to protect shareholders' rights and interests

The Authorization Management System of the Board of Directors was reviewed and formulated by the Board in March, with six functions and powers of the Board being incorporated into the Company's articles of association. It was approved by the shareholders' meeting in May. By the end of June, all relevant system construction work was completed. This improved the Company's operating mechanism and continuously enhanced the standardization, effectiveness and overall function of the Board

Insist on green and low-carbon development and strengthen the construction of energy conservation and environmental protection projects

- **The rooftop distributed photovoltaic power generation project of Double-Crane Pharma (Hainan) Co., Ltd. achieved grid-connected power generation. Upon completion of the project, it can reduce carbon emissions by 344 tons per year**
- CR Sanjiu's **Shenzhen Guanlan Industrial Park** has been selected as a **pilot demonstration project** of Shenzhen's 2022 industrial **"peaking carbon dioxide emission"** work
- CR Jiangzhong's "Energy Intelligent Analysis, Diagnosis and Energy Conservation Standardization Demonstration Project for Chinese Medicine Enterprises" passed the **assessment and acceptance of the national energy conservation standardization demonstration projects**, becoming the first national energy conservation standardization demonstration project in Jiangxi Province to pass the inspection and acceptance. Jiangzhong Pharma won the 11th **"China Environmental Excellence Award"**, the highest award in the field of environmental protection in China



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Integrate into national strategies and accelerate innovation and transformation

Vigorously develop Biopharmas and expand and strengthen the blood product platform. Actively deploy vaccines, medical devices and other fields. Expand and strengthen TCM business and promote its modernization.

Strengthen innovative development and enhance R&D capabilities

Improve the innovation system, increase R&D investment, and enrich innovation models. Improve the construction of R&D platform for innovative drugs and enrich product pipelines. Increase the introduction and training of innovative personnel, and establish a diversified incentive mechanism.

Pay attention to product quality and improve industrial layout

Strengthen lean management, promote the optimization and integration of production capacity, and build a foundation for intelligent manufacturing. Improve the industrial layout and strive to become an industry integrator. Strengthen capability in specialties and continuously enrich product mix.

Carry out digital transformation and drive efficiency improvements

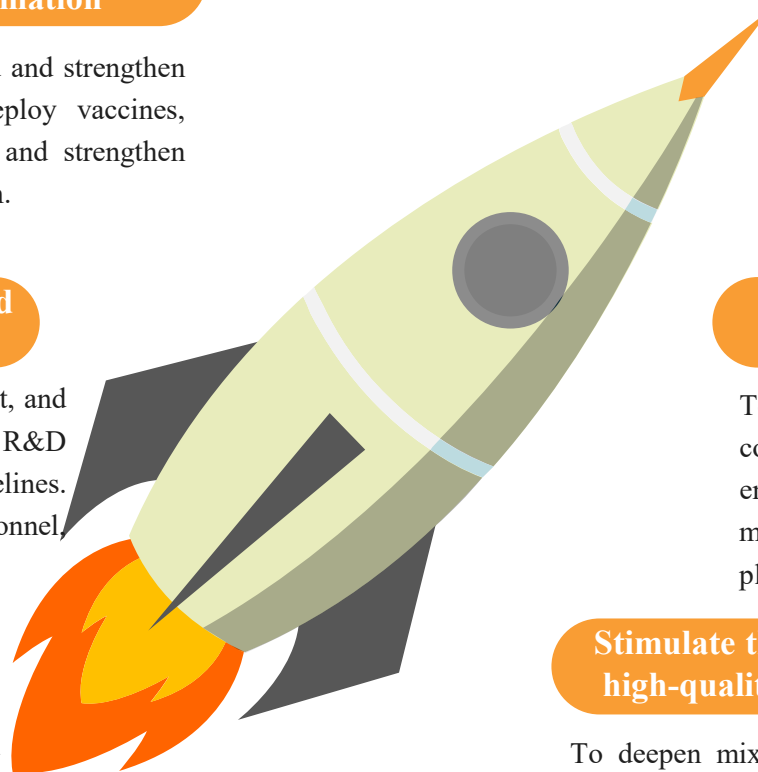
To carry out industry digital transformation, actively promote the digital transformation and upgrading of every sector of the core value chain, and achieve digital-driven operational efficiency improvement and business model innovation

Promote green and low carbon to achieve sustainable development

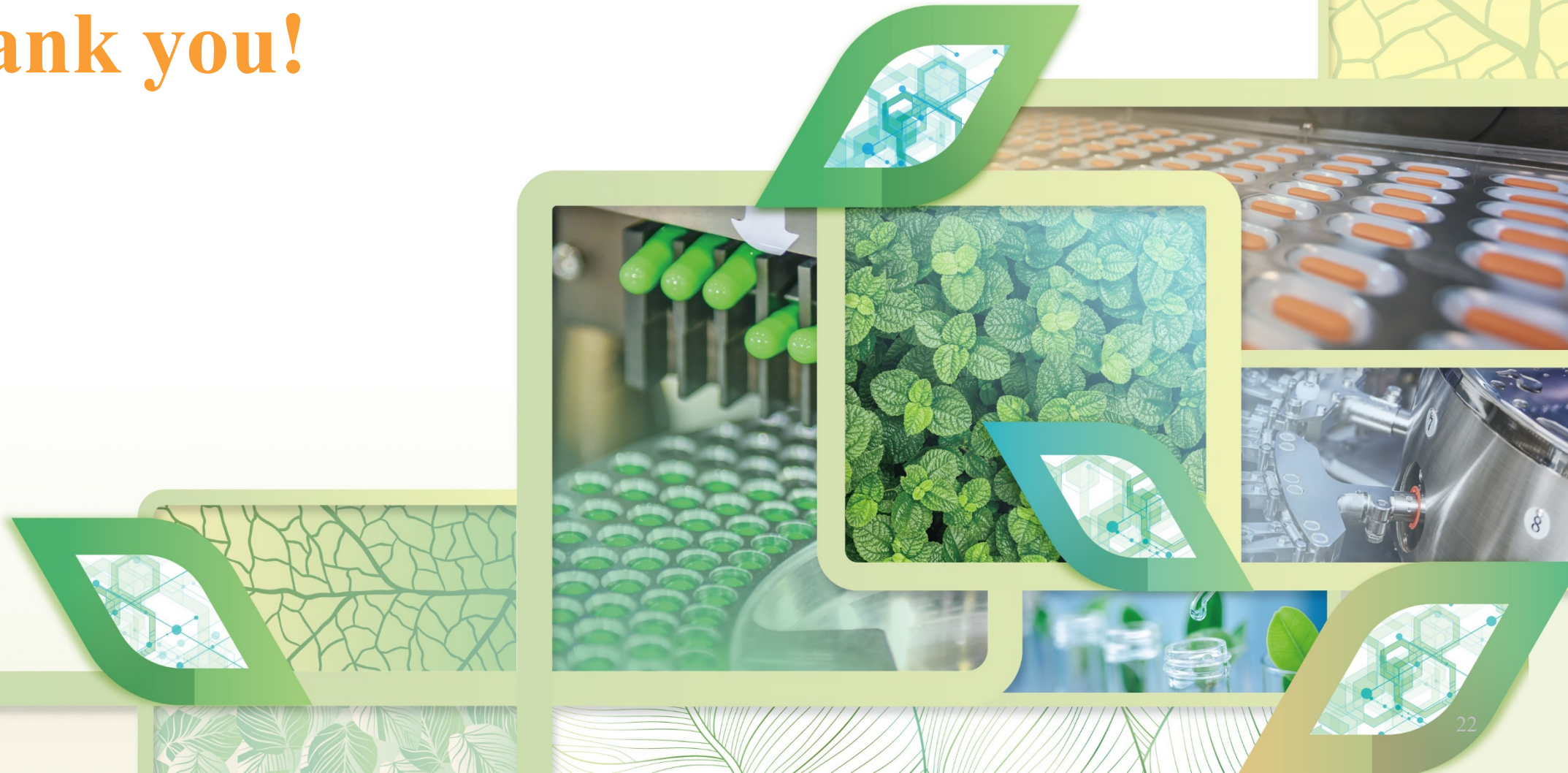
To practice corporate green citizenship responsibility, continue to improve environmental governance capabilities, enhance energy utilization efficiency, carbon emission management capabilities, and strengthen carbon asset planning

Stimulate the vitality of talents to promote high-quality development

To deepen mixed ownership reform, promote operating mechanism transformation, and improve capital allocation and operational efficiency. Improve the corporate governance structure. Optimize the talent structure as well as attracting and gaining high-end talents



Thank you!



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Appendix 1: Statement of profit or loss

HK\$ million	1H2021	1H2022	YoY
Revenue	114,488	125,716	9.8%
Gross profit	17,465	19,832	13.6%
Gross profit margin	15.3%	15.8%	
Operating profit	6,160	7,235	17.4%
Operating profit margin	5.4%	5.8%	
Net profit of the Company	4,094	5,168	26.2%
Net profit attributable to owners of the parent company	2,438	3,025	24.1%
Net profit margin attributable to the parent company	2.1%	2.4%	
Earnings per share (HK\$)	0.39	0.48	

Appendix 2: Balance sheet

HK\$ million	31 December 2021	30 June 2022
Total assets	248,562	256,259
Property, plant and equipment	19,677	18,809
Goodwill	24,902	23,793
Trade and other receivables	77,613	86,105
Inventories	29,688	29,082
Cash and deposits	17,513	18,395
Total liabilities	153,578	163,264
Trade and other payables	75,551	75,610
Bank borrowings	50,668	63,766
Bonds payable	4,364	5,299
Total equity	94,984	92,995
Equity attributable to the parent company	50,981	50,545
Current ratio	1.2	1.3
Interest-bearing liabilities	66,440	75,035
Net interest-bearing liabilities	48,927	56,640
Net interest-bearing liabilities to total equity	0.52	0.61

Appendix 3: Segment results for 1H2022

HK\$ million	Manufacturing	Distribution	Retail	Others	Total
External income	20,053	101,559	4,061	43	125,716
Segment results	6,372	4,302	0.3	39	10,714
Other income					699
Other gains and losses					-358
Administrative expenses					-2,933
Other expenses					-835
Share of profits of associates and joint ventures					186
Finance costs					-1,323
Finance income					431
Profit before tax					6,581

Appendix 4: Corporate profile

Principal Activities

- A leading integrated pharmaceutical company in China with an integrated business model
- Principally engaged in manufacturing, distribution and retail pharmaceutical and healthcare products

Stock Information

- Listed on the SEHK on 28 October 2016 (3320.HK)
- Total capital stock: 6,283 million shares¹
- Market cap: HK\$33,488 million¹

Equity Structure





華潤醫藥集團有限公司
China Resources Pharmaceutical Group Limited

Pharmaceutical Manufacturing

Segment Revenue: HK\$22.18 billion

Segment GP: HK\$12.90 billion

- One of the largest pharmaceutical manufacturers in China
- The largest OTC manufacturer in China
- Own strong brands : 999, Dong-E-E-Jiao, Double Crane, Jiangzhong, Zizhu, Boya Biopharma and etc.



- Manufacture 600 pharmaceutical products
- Ongoing new product R&D projects approaching 300: including about 100 new drug projects and 30 bio-pharmas R&D projects (22 are new bio-pharmas)

Pharmaceutical Distribution

Segment Revenue: HK\$104.40 billion

Segment GP: HK\$6.55 billion

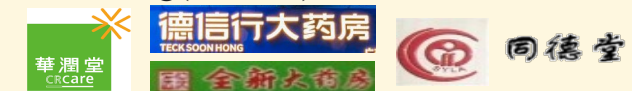
- the 3rd largest pharmaceutical distributor in China
- 216 subsidiaries and 204 logistics centers in 28 provinces
- distribute about 180,000 types of products, including about 40,000 types of prescription drugs and about 20,000 types of OTC drugs
- maintain long-term and stable relationships with over 100,000 domestic and international upstream suppliers
- the total downstream customers is about 120,000, including hospitals by class, primary medical institutions, retail pharmacies and other customers

Pharmaceutical Retail

Segment Revenue: HK\$4.06 billion

Segment GP: HK\$0.34 billion

- Operates 787 retail pharmacies and 221 DTP pharmacies, over 92 cities in China
- Owns quality brands: CR Care (華潤堂), Yibaoquanxin (醫保全新), Li'an chain (禮安連鎖), and Tung Tak Tong (同德堂), Teck Soon Hong(德信行)








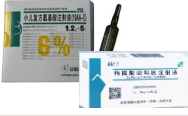




- New retail business division and an internet medical business division to promote innovative business models such as "Combination of Medical and Health Care", "Pharmacy + Clinic" and "Internet + Pharmacies", and to build an off-hospital new retail system

Appendix 6: Product portfolio - TCM & nutritional products

Main Products	Therapeutic Area	Main Products	Therapeutic Area
 <p>E-Jiao block (阿胶块), compound E-Jiao syrup and E-Jiao powder</p>	Nourishing the dry throat, tonifying qi and blood as well as resisting anemia	 <p>Tianhe-branded Gutong patch (骨通贴膏), Tianhe Zhufeng ointment (天和追风膏), and the Zhuanggu product series (壮骨系列)</p>	Orthopedics
 <p>Ganmaoling (感冒灵) and Compound Ganmaoling (复方感冒灵), Qiangli Pipalu (强力枇杷露)</p>	Cold and cough remedies	 <p>Shenfu injection (参附注射液), Shenmai injection (参麦注射液) and Shengmai injection (生脉注射液)</p>	Cardiovascular system
 <p>The Zhengtian (正天) product series</p>	Headache	 <p>Huachansu (华蟾素) and Javanica oil soft capsule (鸦胆子油软胶囊)</p>	Oncology
 <p>Sanjiu Weitai (三九胃泰), Qizhi Weitong (气滞胃痛), and Yinzhihuang (茵栀黄)</p>	Alimentary tract and metabolism	 <p>A portfolio of Chinese medicine formula granules comprising over 600 products</p>	Chinese medicine formula granules (中药配方颗粒)
 <p>Child paracetamol granules (小儿氨酚黄那敏颗粒), Child Flu granules (小儿感冒颗粒) and Child Cough syrup (小儿止咳糖浆)</p>	Pediatrics	 <p>Xuesaitong soft capsules (血塞通软胶囊)</p>	Cardiovascular system
 <p>Jianweixiaoshi tablets (健胃消食片), Lacidophilin tablets (乳酸菌素片) and Lihuo Probiotics (利活益生菌)</p>	Alimentary tract and metabolism	 <p>Taohuaji (桃花姬) and Zhen Yan E-Jiao Cake (真颜阿胶糕) derived from E-Jiao Chinese medicine product series</p>	Nutritional product
 <p>Compound Caoshanhu tablets (复方草珊瑚含片)</p>	Oropharynx	 <p>Nutritional supplement and dietary supplement derived from core TCM</p>	Nutritional product

Appendix 7: Product portfolio - chemical drugs

Main Products	Therapeutic Area	Main Products	Therapeutic Area
 <p>Compound Reserpine and Triamterene tablets (Hypertensive No. 0) (复方利血平氨苯蝶啶片(降压0号))</p>	Cardiovascular system	 <p>Cefazolin Sodium Pentahydrate for injection (Xintailin) (注射用五水头孢唑林钠(新泰林))</p>	Anti-infectives
 <p>Amlodipine Besylate tablets (Yashida) (苯磺酸氨氯地平片(压氏达))</p>	Cardiovascular system	 <p>Peritoneal dialysis solution, or peritoneal dialysate</p>	Nephrology
 <p>Valsartan capsules (Suiyue) (缬沙坦胶囊(穗悦)) and Valsartan-Hydrochlorothiazide tablets (Fu Suiyue) (缬沙坦氢氯噻嗪片(复穗悦))</p>	Cardiovascular system	 <p>Calf Pulmonary Surfactant for injection (Kelisu) (注射用牛肺表面活性剂(珂立芬))</p>	Pediatrics
 <p>Pitavastatin Calcium tablets (Guanshuang) (匹伐他汀钙片(冠爽))</p>	Cardiovascular system	 <p>Pediatric Compound Amino Acid injection (小儿复方氨基酸注射液)</p>	Pediatrics
 <p>Gliquidone tablets (Tangshiping) (格列喹酮片(糖适平)) Metformin Sustained-release tablets (Buke) (二甲双胍缓释片(卜可))</p>	Alimentary tract and metabolism (Antidiabetes)	 <p>Levonorgestrel tablets (左炔诺孕酮片), branded as Yuting and Golden Yuting</p>	Reproductive Health

Appendix 8: Product portfolio - chemical drugs and biopharma drugs

Major Products		Therapeutic Areas
	Wang Bi capsules 尅痺膠囊	Musculo-skeletal system
	Bingwusuanmei Huanshi Pian(Shentai) 丙戊酸鎂緩釋片 (神泰)	psychiatry and neurology system
	Citicoline Sodium tablets (Nuobaiyi) 胞 磷膽鹼鈉片 (諾百益)	psychiatry and neurology system
	Five basic types of IV solution container systems	Large-volume IV infusion
	Human Albumin	Plasma products
	Human fibrinogen	Plasma products
	Bifid Triple Viable Capsules Dissolving at Intestines (BIFIDO) 雙歧桿菌三聯 活菌腸溶膠囊 (貝飛達)	Gastroenterology

Major Products		Therapeutic Areas
	Recombinant Human Erythropoietin Injection (CHO Cell) (Jialinhao) 重組 人促紅素注射液 (CHO細胞) (佳 林豪)	Blood and hemopoietic organs
	Recombinant Human Interleukin-11 for injection (Baijieyi) 注射用重組人 白介素-11 (百傑依)	Blood and hemopoietic organs
	Recombinant Human Tissue Plasminogen Activator Derivatives (r-PA) for injection (Ruitongli) 注射用重組人組織型纖溶酶原 激酶衍生物 (瑞通立)	Blood and hemopoietic organs
	Compound Dexamethasone Acetate cream (Piyanning) 複方醋酸地塞米松乳膏 (皮 炎平) Mometasone furoate gel (Piyanning) 糠酸 莫米松凝膠 (皮炎平)	Dermatologicals
	Intravenous immunoglobulin	Plasma products
	Prothrombin Concentration Complex	Plasma products
	Zinc gluconates oral solution	Tonics