



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

2021 Interim Results

Online Presentation

August 2021



The information in this presentation has been prepared by China Resources Pharmaceutical Group Limited (the “Company”) for use in presentations by the Company and does not constitute a recommendation regarding the securities of the Company.

Although care has been taken to ensure that the facts stated in this document are accurate, and that the opinions expressed are fair and reasonable, the contents of this document have not been independently verified and certain information contained in this document may differ from the Company's disclosure documents.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. None of the Company nor any of its directors, employees or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment without notice and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof.

It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its representatives are under an obligation to update, revise or affirm.

The information communicated in this presentation contain certain statements that are or may be forward looking. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. These forward-looking statements reflects the current view of the Company with respect to future events are based on a number of assumptions about the Company's operations and factors beyond the Company's control and are subject to significant risks and uncertainties, and, accordingly, actual results may differ materially from these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this document. The Company shall not have (a) any obligation to update on further changes to such information or to correct any inaccuracies or omissions in this document nor (b) any liability in respect of the use of, or reliance upon, the information contained herein by you or any person to whom the information herein is disclosed.

This presentation and the information contained herein do not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall they or any part of them form the basis of or be relied on in connection with any contract or commitment whatsoever. . The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any State securities laws in the United States and may not be offered, sold or delivered within the United States absent from registration under or an applicable exemption from the registration requirements of the United States securities laws.

The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. This presentation and the information contained herein are being furnished to you solely for your information and may not be reproduced or redistributed to any other person, in whole or in part. In particular, neither the information contained in this presentation nor any copy hereof may be, directly or indirectly, taken or transmitted into or distributed in the United States, Canada, Australia, Japan, PRC, Hong Kong or any other jurisdiction which prohibits the same except in compliance with applicable laws. Any failure to comply with this restriction may constitute a violation of U.S. or other jurisdiction's securities laws.

No invitation is made by this presentation or the information contained herein to enter into, or offer to enter into, any agreement to purchase, acquire, dispose of, subscribe for or underwrite any securities or structured products, and no offer is made of any shares in or debentures of a company for purchase or subscription except as permitted under the laws of Hong Kong. No money, securities or other consideration is being solicited, and, if sent in response to this presentation or the information contained herein, will not be accepted.

By reviewing this presentation, you are deemed to have represented and agreed that you and any customers you represent (a) are either (i) a “qualified institutional buyer” (within the meaning of Regulation 144A under the Securities Act), or (ii) outside of the United States; and (b) are “professional investors” as defined in the Securities and Futures Ordinance (Cap 571 Laws of Hong Kong) and any rules made under that Ordinance.

This presentation and the information contained herein are strictly confidential. You are agreeing to maintain absolute confidentiality regarding the information contained in this presentation. These materials are given to you solely for your own use and information and no part of this document may be copied or reproduced or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) in any manner or published, in whole or in part, for any purpose. Any failure to comply with these limitations may constitute a violation of law and may lead to legal or regulatory action.

1

Interim Results and Business Highlights

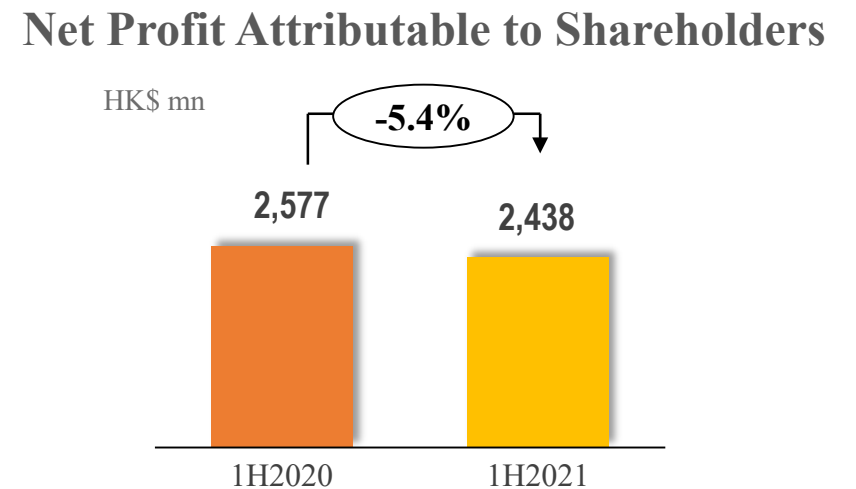
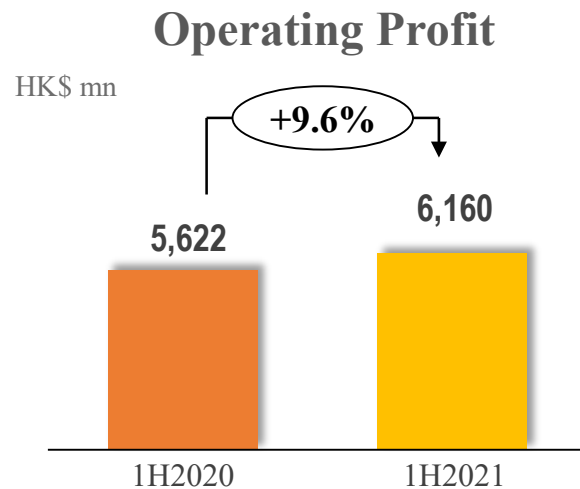
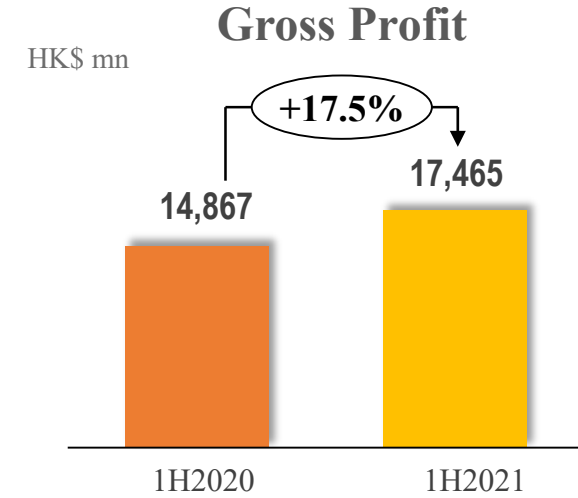
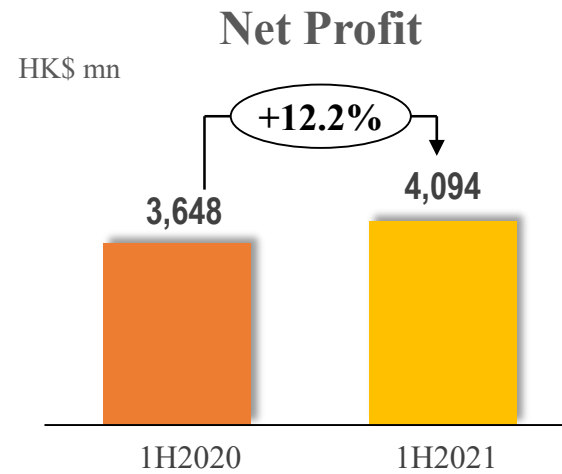
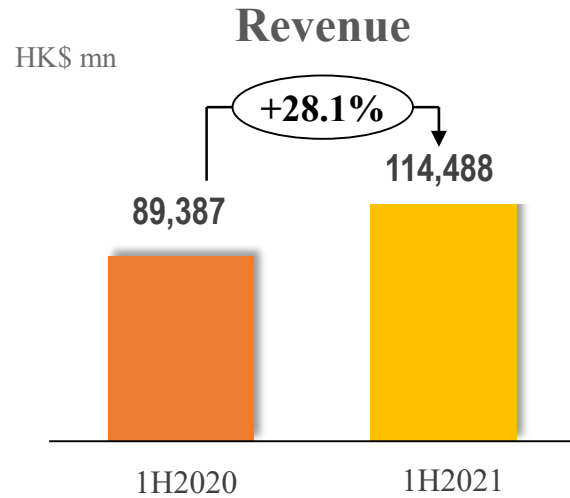
2

Development Strategy

3

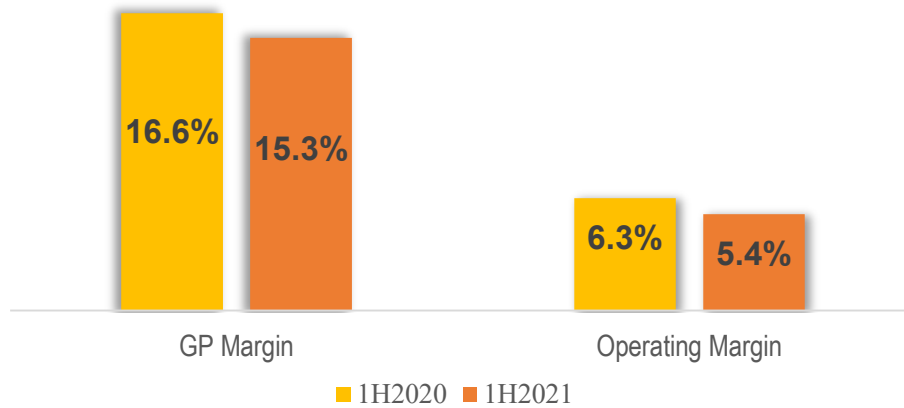
Appendix

Key Financials

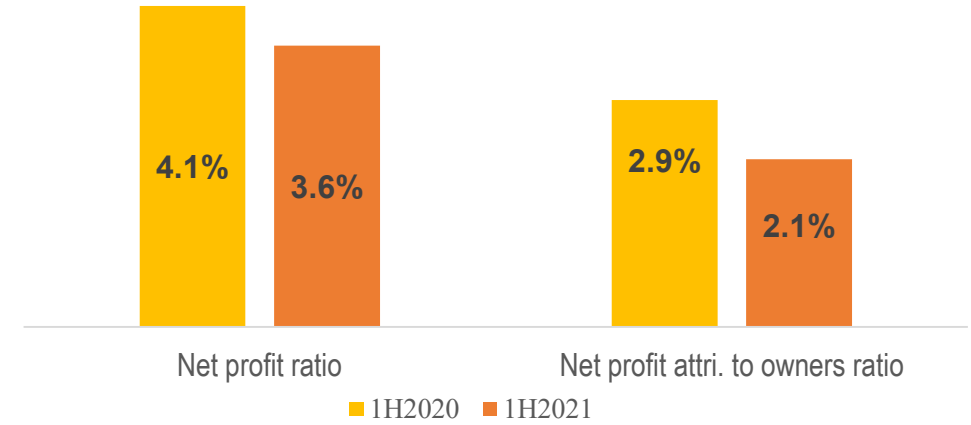


Profit Margin and Operating Cash Flow

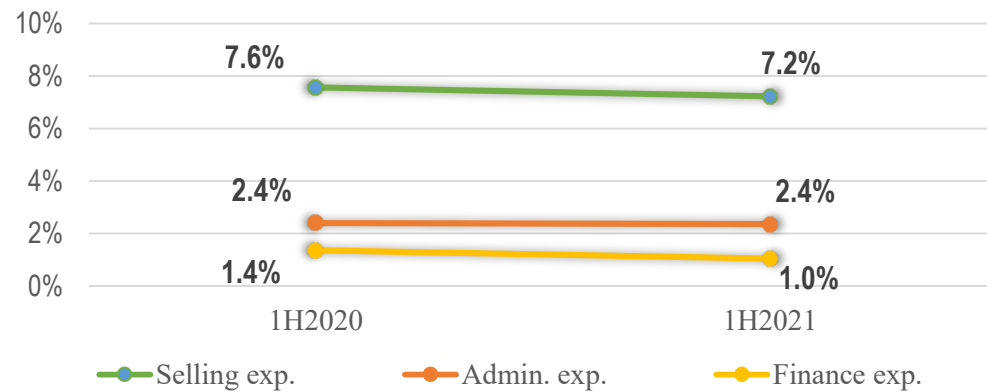
GP Margin & Operating Margin



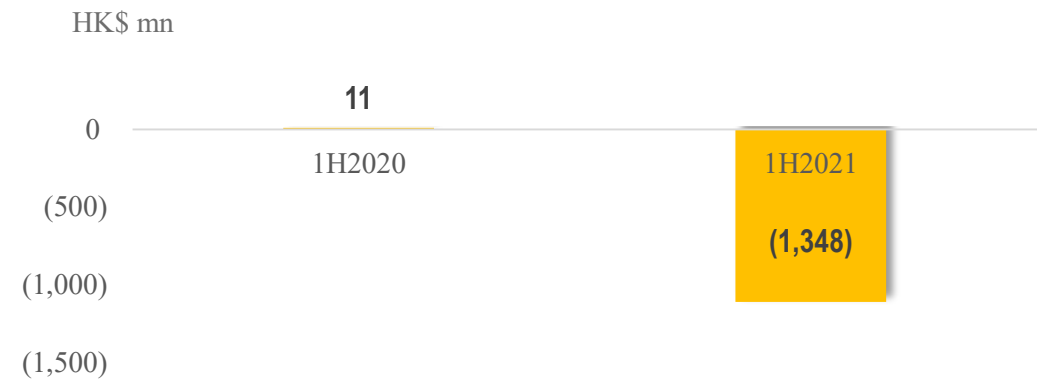
Net Profit Ratio



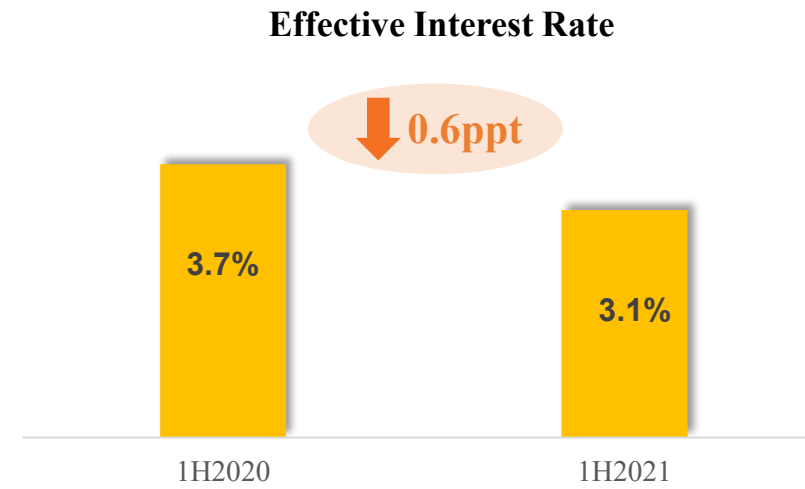
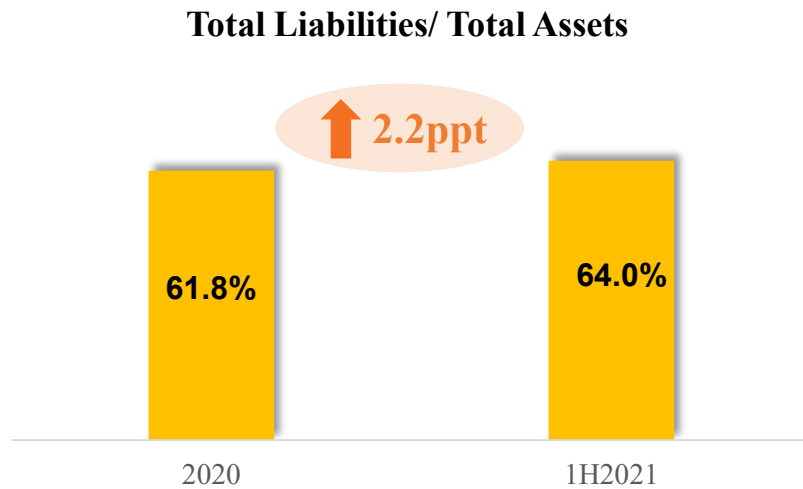
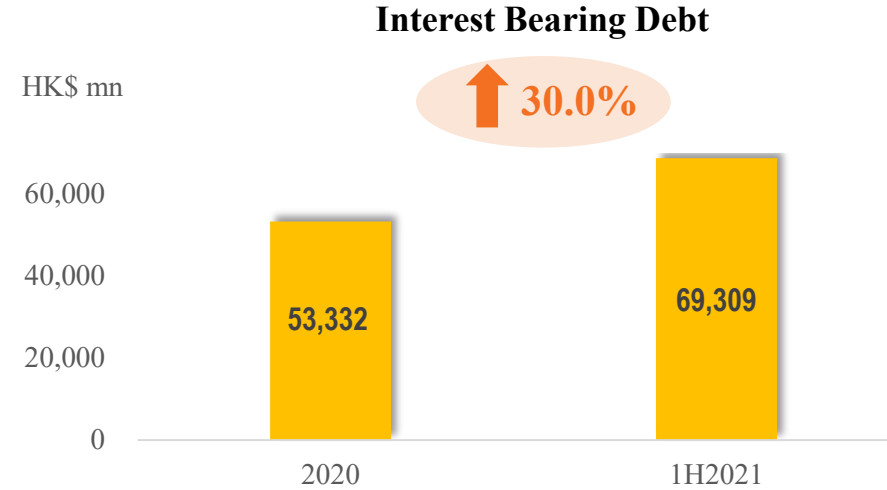
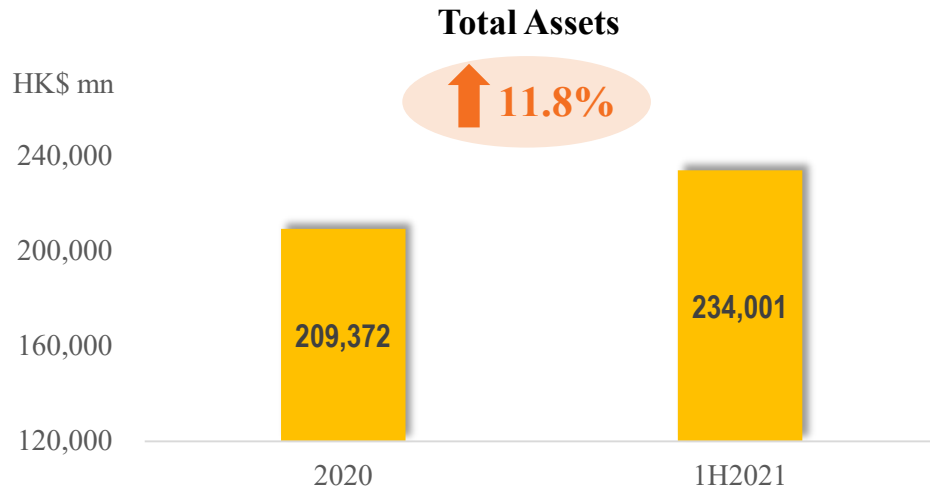
Operating Expenses Ratios



Net Cash from Operating Activities

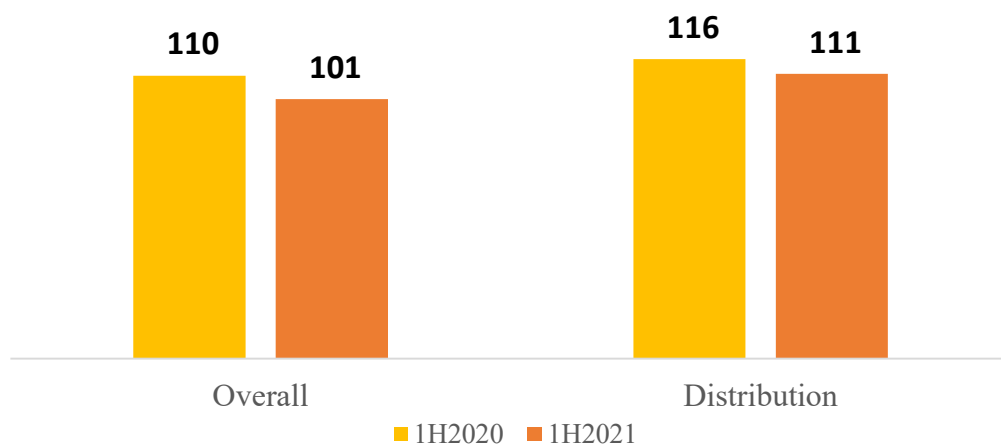


Debt Ratio and Average Financing Cost

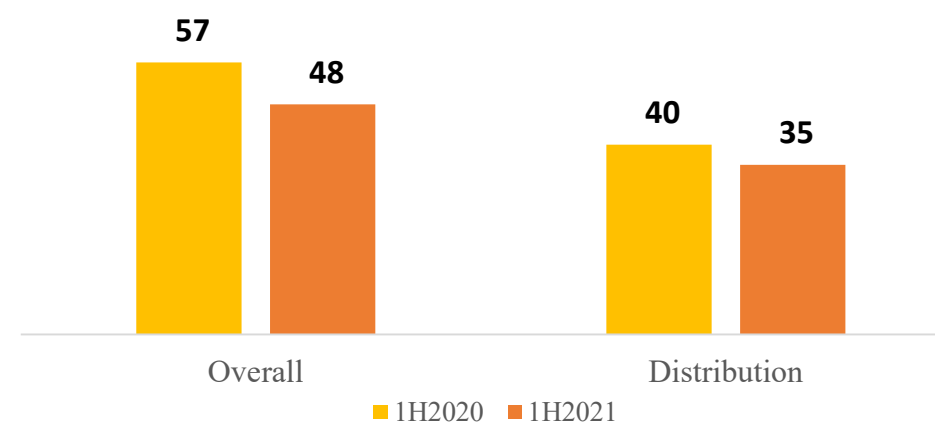


Working Capital Turnover

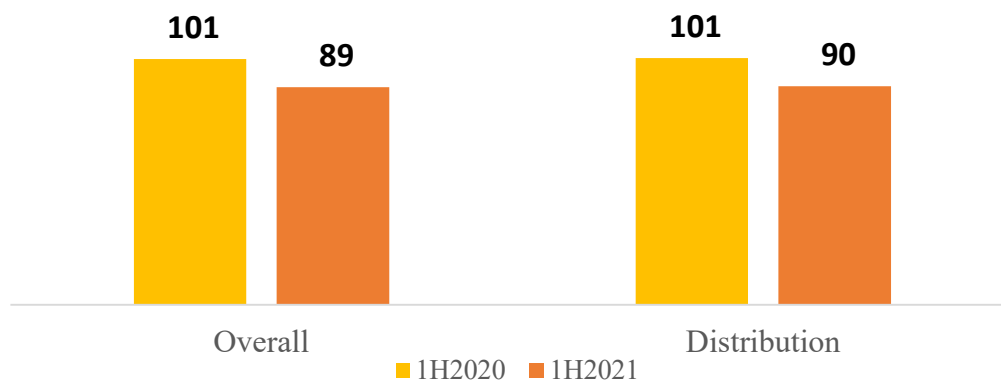
Trade Receivables Turnover Days



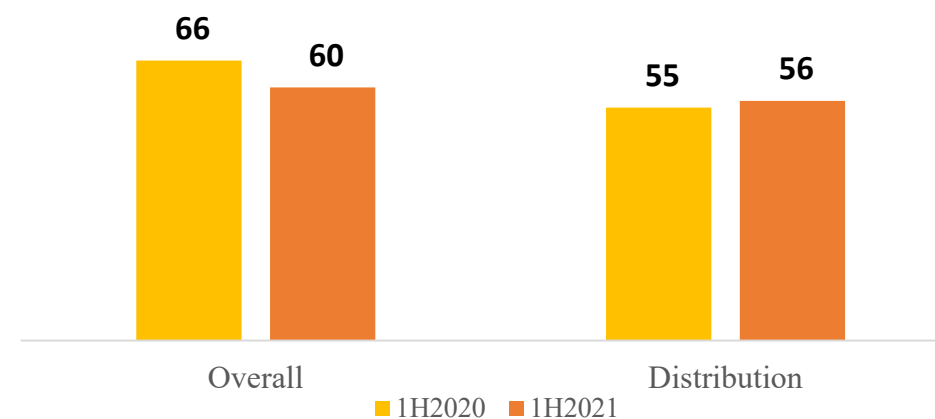
Inventory Turnover Days



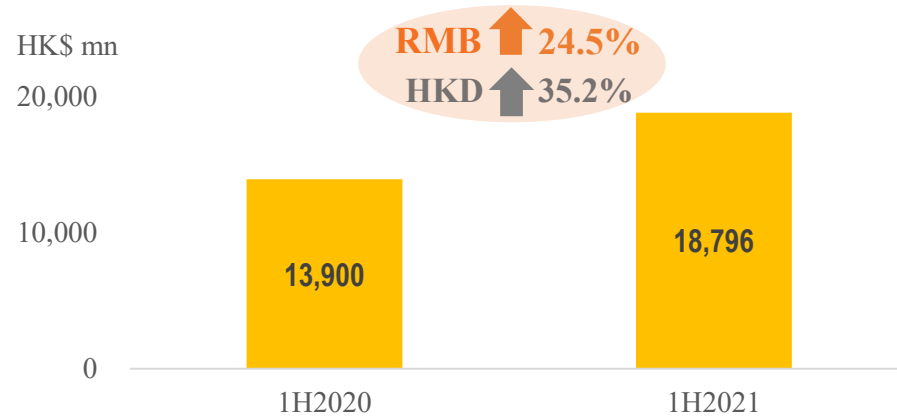
Trade Payables Turnover Days



Cash Conversion Cycle

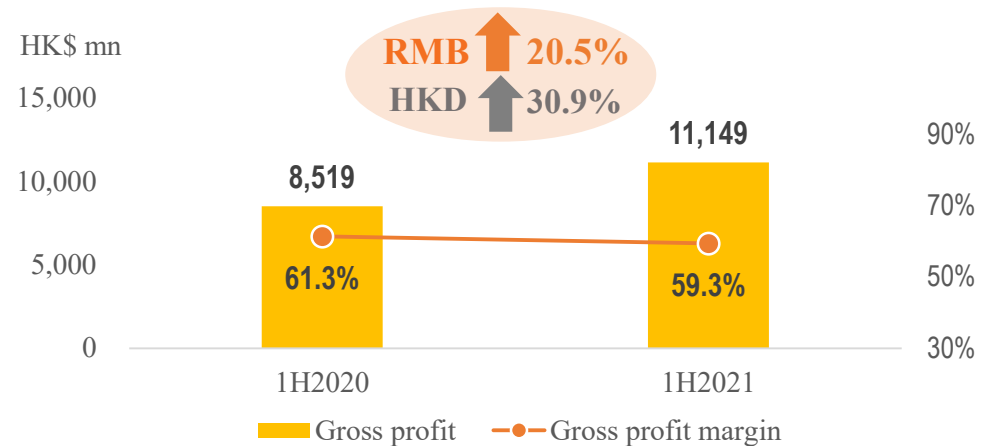


Segment Revenue

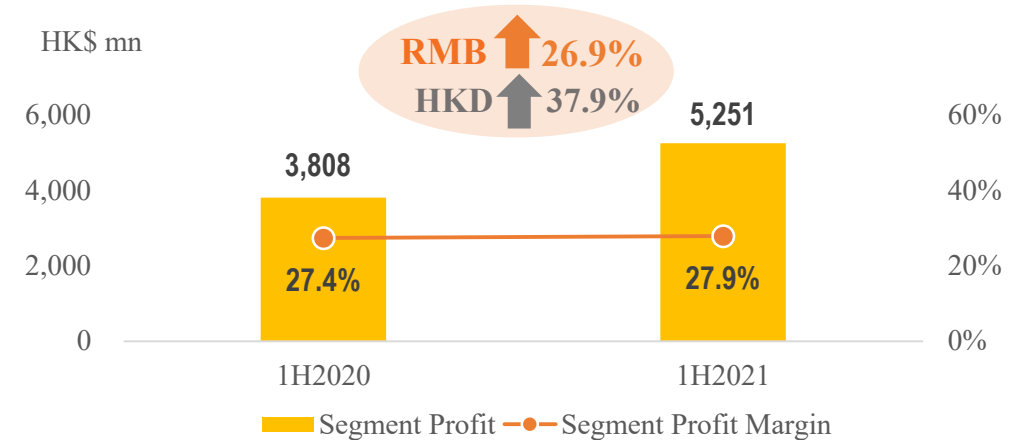


- In 1H2021, segment revenue was HK\$18.8 billion, up 35.2% YoY, this reflected mainly notable growth in revenue from the core CHC segment and prescription drug segment following the easing of the pandemic and the prominent effect of the digital transformation strategy
- Segment gross profit margin was 59.3%, decreasing 2.0 ppt YoY; segment profit margin was 27.9%, increasing 0.5 ppt YoY
- In 1H2021, chemical drugs, Chinese medicines, biological drugs and other products contributed 41.8%, 50.4%, 0.4% and 7.4% , respectively, of manufacturing segment revenue

Segment Gross Profit



Segment Results



Complementary External Acquisition Securing Preemptive Position in Competition for Quality

Acquisition of Boya Biopharmaceutical Secured Preemptive Position in Biopharmaceutical Sector

- Acquisition of the existing shares of Boya Biopharmaceutical was completed, upon which we held **16.0%** equities and **29.2%** voting rights of Boya Biopharmaceutical to become its largest shareholder. Capital injection in Boya Biopharmaceutical is expected to be completed within the year, whereby we will become its actual controller
- Blood products are **national strategic resources reserves**. This segment features **high growth potential, strong profitability, high barriers and wide application** and is an advantageous segment that underpins CR Pharmaceutical's consistent industry leading position.
- Through this investment, CR Pharmaceutical has **achieved a breakthrough to fill the void for blood products**
- The competitive strength of Boya Biopharmaceutical to acquire **new blood stations** will be further enhanced, with **optimized product portfolio** and **higher profit margin**

Drug R&D Technology Platform Attained through Acquisition of Zhejiang Peptides

- CR Double-Crane acquired **33.3%** equity interests in Zhejiang Peptides Biotech Co., Ltd. by way of capital injection. Peptide, the principal product of Zhejiang Peptides, is known for its high bioactivity, good therapeutic effect and low toxicity
- The acquisition is conducive to CR Double-Crane establishing its presence in the biopharmaceutical sector to accelerate its transformation and upgrade. During the Period, **Zhejiang Peptides reported sound growth**



Strategic Presence in the Cellular Immunotherapy Sector through Acquisition of Immunotech

- Cellular immunotherapy is an important development direction for **tumor therapy in the future** with broad market prospects in **T cell immunotherapy**. Through the acquisition of **10.0%** equities in Immunotech, CR Pharmaceutical has established its strategic presence in the new business area
- CR Pharmaceutical would support the **development and commercialization** of Immunotech's product candidates, coordinate the **drug sales and commercial distribution capabilities** under its network system, and support **rapid market development** for Immunotech's launched products to **realize commercial value**

Strengthened Post-investment Management to Coordinate Resources for Rapid Development

- With strong M&A and integration capabilities and abundant experience, we actively **facilitated high-quality external M&A** to continuously expand our business coverage and diversify our product portfolio
- We carried out strategic and management integration with acquired entities on the basis of advanced management philosophy and business models. In 1H 2021, **revenue of Dongying Tiandong increased substantially**

Digital Transformation with Prominent Effect Boosting Rapid Growth of Pharmaceutical Business

CHC business: Digital Transformation with Prominent Effect Driving Significant Growth



Revenue for the Period: HKD 9,410 million

All eight categories of OTC products and nutrition and healthcare products achieved YOY growth



YOY increase: 53.3%

Dong-E-E-Jiao product line significantly grew by **103.1%**

Revenue from Pediatric OTC product up **by 92.6%**

Products for cold and orthopedic OTC products both grew by over **60.0%** YOY

Intelligent Manufacturing: Ongoing Improvement in Quality and Efficiency



CR Sanjiu: built a new **end-to-end network distributed-cloud coordinated** TCM manufacturing model driven by innovative technologies such as digital twin, Cloud Computing, IOT and blockchain; created simulated models for all workshops; its “**New TCM Formula Granule Intelligent Manufacturing Model Application Project**” and “**TCM Injection End-to-end Industry Chain Digital Manufacturing Technology Development Project**” passed the MIIT inspection process



CR Double-Crane: Built a smart back-end platform to enable operation control platform upgrade, storage system upgrade and supply chain process optimization. **Implemented automation upgrade for production lines of the three infusion bases**



Expansion of Commodity Category Market Empowered by E-commerce Platforms

- Dong-E-E-Jiao developed **B2C** and **O2O** models on mainstream e-commerce and built a private traffic platform focused on E-Jiao-based nutrition and vitality enhancement products. During the Period, it recorded online sales of nearly **RMB300 million**, representing YOY growth of nearly **25.0%**
- CR Sanjiu completed the **establishment of channels** for medicines, healthcare products and devices on mainstream e-commerce platforms, and deployed business on emerging Internet e-commerce platforms. During the Period, its online business grew by nearly **44.0%** YOY
- CR Jiangzhong is positioned as a specialist for "daily intestinal conditioning medicine", launching products in key markets through a **combination** of "TV + Internet + elevator + radio" channels; the new products series entered the e-commerce channel, as online business during the Period grew by **91.13%** YOY
- CR Zizhu established a private platform catering to female reproductive health. In 1H 2021, its online business grew by over **86.0%** YOY, and its **Yuting HCG test strips and oral contraceptives** became the top single products sold on mainstream e-commerce platforms



Developing both Online and Offline, Explore New Business Models

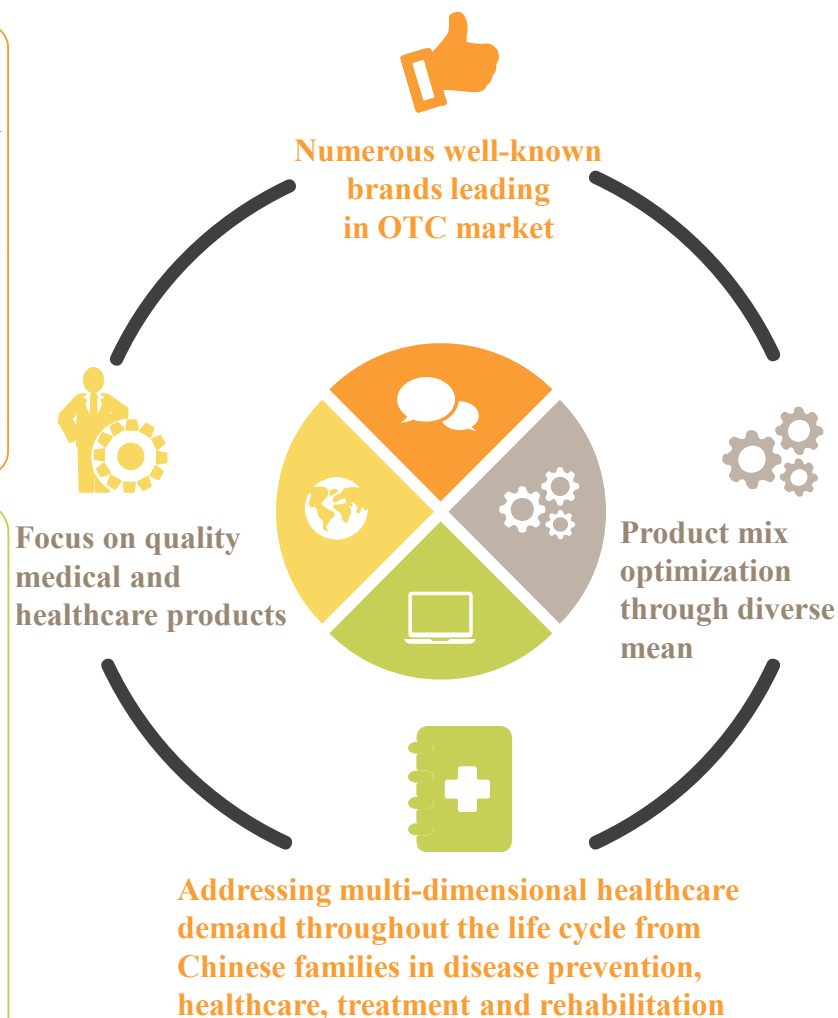
Enhanced Quality Control to Leverage Advantages of Platform with Ongoing CHC Product Mix Optimization

Addressing Diverse Healthcare Needs

- With a dominant leading position in the OTC market, CR Pharmaceutical has many well-known brands such as 999 and Jiangzhong, and its business covers **eight** product categories including cold, gastrointestinal, dermatology, pediatrics, and orthopedics.
- Actively expanded into health management and chronic disease management products to satisfy **multi-dimensional healthcare demand throughout the life cycle** of Chinese families in disease prevention, healthcare, treatment and rehabilitation

Leveraging Advantages of Research Platforms

- Consolidating core competitive advantages, improving product quality through ongoing **technological innovation** and strict quality control of the **entire industry chain**
- Dong-E-E-Jiao has the **unique** "National Research Center for Gelatin Traditional Chinese Medicine Engineering and Technology" approved by the Ministry of Science and Technology
- CR Jiangzhong has two state-level engineering research centers, "National Engineering Research Center for TCM Solid Preparation Manufacturing Technology" and "**National Engineering Research Center** for Protein Medicines Center"



Active Introduction of Premium Brands

- Focused on well-known brands catering to Chinese **consumer needs**, CR Pharmaceutical established **joint venture platforms** for long-term cooperation through cross-border e-commerce or brand authorization
- In March, CR Sanjiu and Ryukakusan, a **leading Japanese brand for throat medicine**, entered into a strategic cooperation agreement, pursuant to which CR Sanjiu would be responsible for the marketing and online as well as offline sales of relevant products in China. The two parties will join forces to expand throat health market in China

Continuous Development and Launch of New Products

- Dong-E-E-Jiao developed more than 10 innovative edible methods of E-Jiao powder, such as "E-Jiao powder + yogurt", and launched a new type of E-Jiao instant preparation, **9 E-Jiao paste products** and **5 new bird's nest products**
- CR Jiangzhong created a big health business with "TCM+" features and successfully launched **4 new products**. Lihuo Probiotics, a new intestinal product launched by CR Jiangzhong, entered the probiotic supplement market and diversified its product portfolio in the field of daily gastrointestinal medication

Accelerated pace in R&D and innovation and Diversified means for product acquisition

- ❑ In 1H21, R&D investment totaled HK\$750 million, up 21.9% YoY.
- ❑ As at the end of the period, 6 chemical generic drugs had been approved for production, including 1 new type 2 cancer drug, while application for production had been filed for 15 drugs.
- ❑ 64 key projects for consistency evaluation started, including 44 on oral solid preparation and 20 on injections.

Improved R&D platform and enhanced incentive mechanism



- ❑ Served the regional development strategy of the nation with establishment of multiple R&D centers for **biopharmaceutical** and **small molecule new drugs** in Beijing and Shenzhen. CR Double Crane established the **Innovation Division, Academician's Work Station** and small molecule new drug R&D platform and acquired R&D technology platforms of polypeptide drugs and biochemical drugs.
- ❑ CR Biopharm recruited **1 leading talent from the overseas**, which has greatly promoted and enhanced innovation and external cooperation.

Multiple milestones achieved in R&D



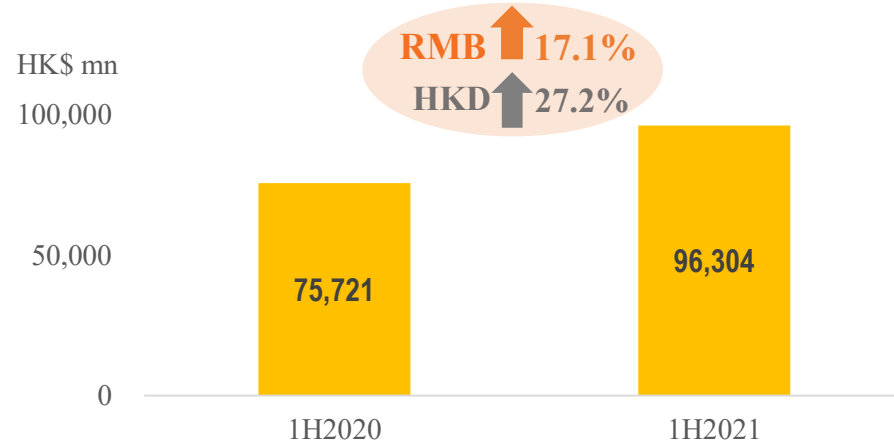
- ❑ **Small molecule innovative drug:** NIP292 project for the treatment of **idiopathic pulmonary fibrosis** has been clinically approved by FDA and granted orphan drug qualification. During the Period, the **single ramp-up dose test in phase I clinical trial** was completed. NIP046 is designed for various **autoimmune diseases** and has shown excellent efficacy in preclinical studies. **Phase I clinical trial** was started during the Period.
- ❑ **Biopharmaceutical:** during the Period, **4** innovative targets were identified and **12** projects were under research, including **3** new projects, all of which involved **type 1 new biopharmaceuticals**

Transformation deepened and R&D pipeline broadened



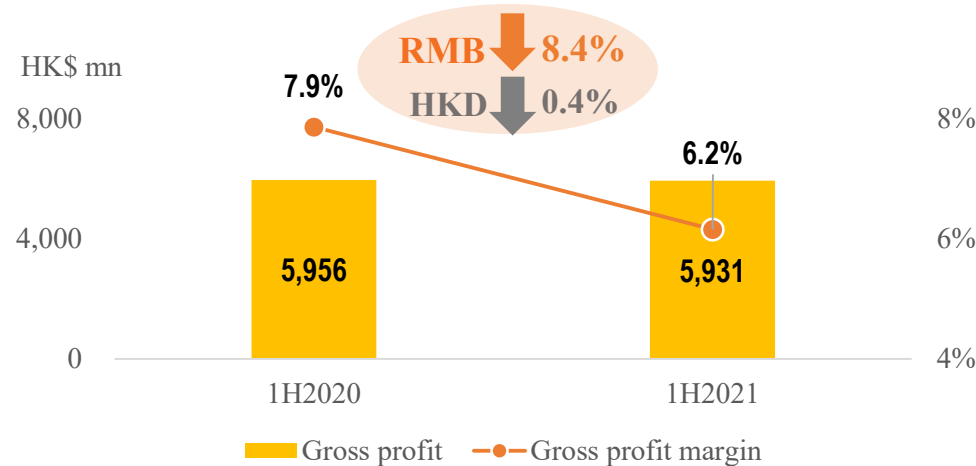
- ❑ Rapid development of biopharmaceuticals and increased investment in **blood products, vaccines and diagnostic reagents**
- ❑ More than **10** products have been introduced for such diseases as anticoagulation, cancer, pediatrics and rare diseases, comprising small molecules, polypeptide and antibodies in terms of molecular type;
- ❑ CR Double Crane obtained **exclusive license** for Fascin protease inhibitor from Novita
- ❑ CR Biopharm entered into strategic collaboration with **Biocytogen** to jointly develop **antibody drugs**

Segment Revenue

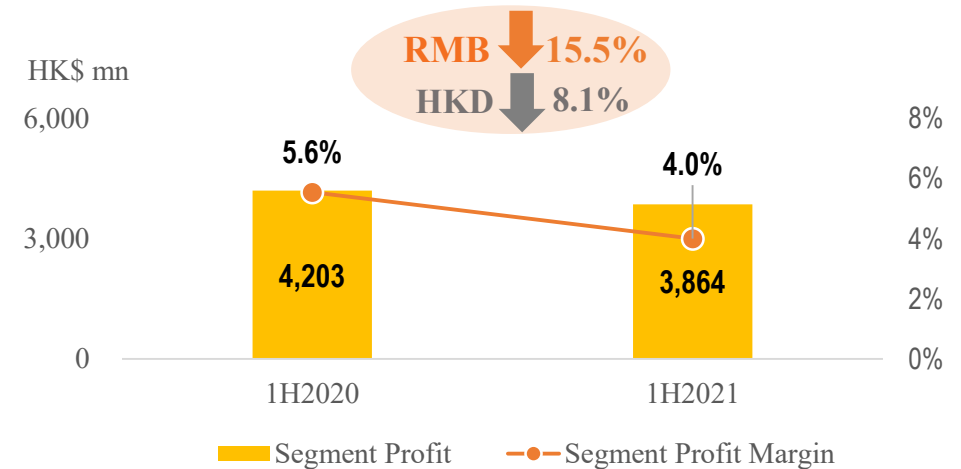


- Segment revenue was HKD96.3 billion, up 27.2% YoY; segment gross profit was HKD5.93 billion, with a gross profit margin of 6.2%, down 1.7ppt YoY
- Ongoing improvement in ability to cover medical end-customers, with medical distribution network of the Group covering 28 provinces, municipalities and autonomous regions across the country with nearly 110,000 clients, including 8,771 second-and third-class hospitals, and nearly 60,000 clients from primary medical and health care institution
- Build an integrated and nation-wide medical logistics network with well-established functions and balance between efficiency and safety in ongoing enhancement of core competitive advantages. With 171 logistics centers, third-party logistics revenue increased by close to 33% YoY in 1H2021

Segment Gross Profit



Segment Results



Visionary Development of Premium Sectors to Forge a Second Growth Curve

Optimizing Business Structure of Medical Devices for Ongoing Improvements in Specialization Capabilities

□ Building Capabilities in Specialization to Enhance Segment Businesses

- **National specialized platforms have been built:** The National Orthopedic Professional Platform Company came into operation on 1 June , with an estimated annual business scale of RMB2 billion, ranking **top three in the industry**; the marketing license holders' platform has officially come into operation and will continue to introduce high-quality medical devices
- **Specialized lines:** investment approvals in respect of 5 specialized companies in Shanghai, Henan, Tianjin, Jiangxi, Anhui have been obtained
- **Specialized service companies established:** strategic cooperation with SHOW LONG Group and Yantai government authorities to invest in a new joint venture company for epidemic prevention materials

□ Continuous Development of Service Capabilities and Acceleration of External Development

- The SPD service projects: **20** new hospitals have been added, and over **30** hospitals have expressed intentions to engage our service
- 4 major projects investments in orthopedics, interventional therapy, IVD, and comprehensive consumables segments have been completed, while **7** new projects have been approved
- **4** new medical device products were introduced during the Period

In-depth layout to tap **Medical Aesthetics** with Four Major Strategies



Seeking strong bonding with relevant manufacturers by cooperating with internal and external industrial funds or investing in upstream segments



Leveraging excellent credentials of CR Pharmaceutical to formulate industry quality control standards with industry associations and academic experts for **greater prestige in the sector**



Empowering industry institutions through internal cooperation with other segments of CR Holdings, and external implementation of **training and accreditation** of physician from private institutions



Speeding up building external M&A capabilities, identifying premium channel distributors to rapidly roll out of **highly efficient sales network**

- **Active acquisition of domestic and overseas resources in medical aesthetics:** negotiations of 3 medical aesthetics products for **national general distributorship** were underway; the regional companies were marketing **nearly 100 product types** from more than **20** domestic and overseas manufacturers, while the South China distribution platform for **Galderma hyaluronic acid** has been built
- **Outstanding performance in the regional market:** Covering **80.0%** of the local medical aesthetics agencies in Henan. During the period, the sales of the medical aesthetics business exceeded **RMB200 million**, covering **more than 1,300 institutional customers**

Enhanced Capacity for Coordinated Acquisition of Product Resources and Achieved Innovation-driven New Business Development

Comprehensive advancement of “Healthcare + Pharmaceutical Digitization”

- **AI intelligent follow-up system** has been put into operation in Beijing Aerospace General Hospital; “CR Micro Medicine” Hemophilia Digital Innovation Centre in Shandong region is operating the online Shandong Medical Insurance Big Healthcare Platform
- Carried out Internet hospital projects and collaborative projects with upstream pharmaceutical enterprises for “Science Lab Construction and Enhancement of Clinical Specialisation”;
- Industry cluster projects for **digital medicine, genetic testing and cellular immunotherapy products** in cooperation with **Immunotech**

Digitized Marketing Platform and Enhancing Contract Sales Capabilities

- CSO rights for "Zejula" from Zai Lab, MSD broad market project, and Essentiale contract sales project between Daiichi Sankyo and CR Sanjiu

Proactive Deployment in Ex-hospital Market and Implementation of Investment Projects

- Commercial insurance service platform company with Uniondrug
- Ex-hospital CSO promotion service platform company with Lifetech Pharmaceutical

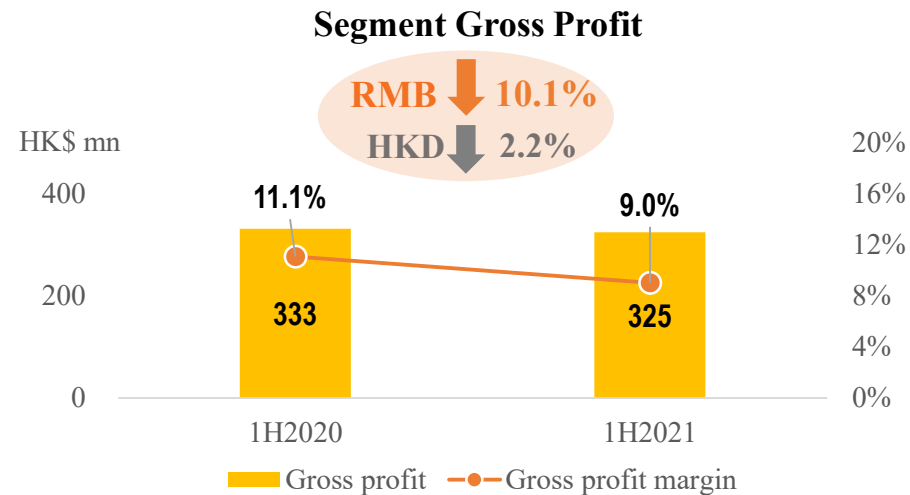
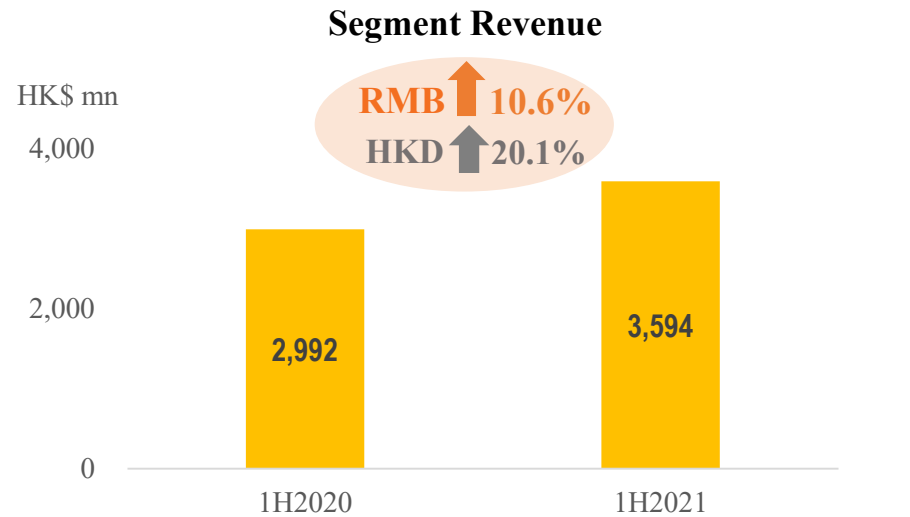


Enhancing Ability in Coordinated Acquisition of Product Resources through a Variety of Flexible Means

- By giving full play to the centralized negotiation capability of the "Group Product Strategy Committee", the number of **strategic customers increased to 54**
- Established strategic cooperation with **4** renowned international companies including Roche;
- Obtained the import dealership for blood analyzers from Siemens, and commenced cross-border e-commerce cooperation with Taiho Pharma and Mitsui
- Introduced **5** imported drugs, **3** medical devices and **4** big healthcare products; and obtained the national distributorship for 3 drugs
- Engaged in DTP business and PAP cooperation for several product types; established **national sales platform** for oncology and innovative biological drugs

Improvements to Distribution System and Expansion of Online and Offline Business

- Commencing construction of **national logistics platform** and completing functions such as national order aggregation through digital and intelligent means to provide manufacturers and clients with digitized and visualized third-party logistics services
- the transaction volume of "CR Pharma e-Store", our B2B online platform, reported transaction amount of RMB**13.8 billion** for 1H 2021, up by **24.0%** YoY



- In the 1H 2021:
 - Retail segment achieved revenue of HK\$3.6 billion, up **20.1%** YoY, mainly attributable to faster growth in revenue from the DTP business and revenue from DTP business accounted for **70.1%** of the retail business segment, up **6.2ppt** YoY
 - Segment gross profit was HK\$0.33 billion, segment gross margin was **9.0%**, down **2.1ppt** YoY, mainly attributable to the added share of revenue from DTP business with a lower gross profit margin, as a percentage of retail business revenue
- Accelerated the development of retail business, concentration of retail equity with aims to realize unified operation, management and control of stores, and accelerated the exploration and expansion of pharmacy-diagnosis-healthcare complexes and commercial insurance cooperation. Expedited digital transformation, made vigorous effort in expanding online business, cross-border e-commerce and Internet healthcare, and recruited professional talents to ensure business development.
- Actively expanded DTP specialty pharmacy, which achieved revenue of about RMB2.1 billion in the 1H 2021, up **21.3%** YoY

Multi-dimensional Enhancement of Specialisation and Steady Growth in Retail Business

Stronger Supply Chain Development and Joint Exploration of New Service Models

- Unified store operation standards, commenced **optimization** and integration of equity interests in **retail business** and clarified the pharmacy franchise model
- Jointly launched the exclusive patient welfare project "**Run Yao Bao**" with Taiping General Insurance to develop four patient-centric service systems
- Initiated simultaneously the **construction of the pharmacy-diagnosis-healthcare complexes** in Beijing, Qingdao, Jiangsu, Kunshan and Zhengzhou, providing comprehensive services such as **intelligent testing, online consultation and chronic disease management**
- Committed to becoming a "healthcare service center at door-step for average citizens" and implemented **pharmacy-diagnosis-healthcare complex** that provides healthcare management services such as **TCM healthcare**

Gradual Business Recovery with Steady Improvement in Indicators

- Obtained **nationwide general distributorships** for **8** products via the intra-group and external group store operation model, while sales of centrally negotiated projects with CR Sanjiu, Tong Ren Tang and Dong-E-E-Jiao amounted to nearly **RMB900 million, up over 40% YOY**



Persisting in Specialization with the Establishment of High-Quality Pharmacies

- Built the DTP back-end integrated operation and pharmaceutical service platform and improved the model for the development of the infusion center
- A total of **846** self-operated retail pharmacies, including **203** DTP specialty pharmacies
- **34** CR stores named among the "Top 100 Chinese Pharmacies in the 2020-2021 Single Store List", nearly doubled compared to the previous year
- In the latest Top 100 list, the **Top 3 pharmacies** in terms of area efficiency are all CR Pharmaceutical stores

1

Interim Results and Business Highlights

2

Development Strategy

3

Appendix

To Promote Reforms and Achieve Results therefrom

To seize the opportunity brought by SOE reform, deepen mixed ownership reform in an active and steady manner, optimize the hierarchical management and control and improve management efficiency

To Enhance Quality of Endogenous Development

To consistently optimize our business structure, reinforce fundamental management and facilitate quality and efficiency enhancement in response to policy changes and market structure adjustment trends, with a view to achieving transformation and upgrade and sustainable, healthy development

To Expedite Mergers and Acquisitions

To enhance our presence in innovation and high growth areas seizing opportunities from deepened industry reform and leveraging the strengths and pathfinder role of the industry fund, with a special emphasis on establishing presence in unclaimed areas with sound potential

To Enhance R&D Innovation

To expedite development of key regional innovation R&D platform with aims to achieve breakthroughs in innovation and R&D investment, innovative platform development, innovative incentive mechanism, utilization of project deliverables, and key project progress



To Focus on Business Synergies and Coordinated Development

To develop a cross-regional, multi-dimensional and multi-model synergy mechanism and drive the implementation of projects with synergetic effects, leveraging the synergy and driving role from CR Pharmaceutical, in order to optimise resource allocation and enhance operational efficiency

To Facilitate International Cooperation

To continuously advance expansion and development of international cooperation platforms, further expand the channels for international cooperation and explore the introduction of new overseas products and technologies in a bid to enhance our general competitiveness

To Benchmark First-class Enterprises

To analyze best practices of world-class companies in all respects, deeply identify the weaknesses in corporate management and comprehensively enhance management capabilities and business standards



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

Thank you!



1

Interim Results and Business Highlights

2

Development Strategy

3

Appendix

Appendix 1: Income Statement

HK\$ mn	1H2020	1H2021	YoY
Revenue	89,387	114,488	28.1%
Gross Profit	14,867	17,465	17.5%
Gross Profit Margin	16.6%	15.3%	
Operating Profit	5,622	6,160	9.6%
Operating Profit Margin	6.3%	5.4%	
Net Profit for the Company	3,648	4,094	12.2%
Net Profit Attributable to Shareholders	2,577	2,438	-5.4%
Net Profit Margin Attributable to Shareholders	2.9%	2.1%	
EPS (HK\$)	0.41	0.39	

Appendix 2: Balance Sheet

HK\$ mn	2020 Dec 31	2021 Jun 30
Total assets	209,372	234,001
PPE	17,324	17,665
Goodwill	21,072	21,373
Trade and receivables	67,703	80,542
Inventories	24,585	27,123
Bank and cash	11,231	17,000
Total liabilities	129,342	149,731
Trade and other payables	66,396	70,121
Bank borrowings	36,249	57,104
Bonds payable	6,040	9,191
Total equity	80,029	84,271
Shareholders' equity	46,470	48,662
Current ratio	1.20	1.21
Total debt	53,332	69,309
Net debt	42,100	52,309
Net debt / total equity	0.53	0.62

Appendix 3: 1H2021 Performance by Segment

HK\$ mn	Manufacturing	Distribution	Retail	Others	Total
External Revenue	17,085	93,741	3,594	68	114,488
Segment results	5,251	3,864	-38	60	9,138
Other income					713
Other gains & losses					-298
Admin expenses					-2,701
Other expenses					-671
Share of profits of associates and joint ventures					143
Finance costs					-1,428
Finance income					270
Profit before tax					5,166

Appendix 4: Corporate Profile

Principal Business

- A leading integrated pharmaceutical company in China aiming to develop an integrated business network
- Principally engaged in the manufacture, distribution and retail of pharmaceutical and healthcare products

Share Information

- Listed on the SEHK on 28 Oct 2016 (stock code: 3320.HK)
- Shares in issue: 6,283 mn¹
- Market cap: 30.41 bn¹

Shareholding Structure





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

Manufacturing

Revenue: HK\$18.8bn
Gross Profit: HK\$11.2bn

- One of the largest pharmaceutical manufacturers in China
- Largest OTC drug manufacturer in China
- Well-known brand names in China – Sanjiu, Dong-E-E-Jiao, DoubleCrane, Jiangzhong and Zizhu etc



- Manufactures over 560 pharmaceutical products
- Operates nearly 200 new drug development projects under R&D stage, including 68 new drug projects and 9 projects on new biological drugs under R&D stage, while new drug development platform NIP1 is coming into shape to form fully independent R&D capability

Distribution

Revenue: HK\$96.3bn
Gross Profit: HK\$5.9bn

- 3rd largest pharmaceutical distributor in China
- About 200 subsidiaries and 171 logistics centers in 28 provinces in China
- Distributes over 180,000 types of products, comprising 40,000 types of prescription drugs and 20,000 OTC products
- Maintains long-term stable cooperation with over 100,000 international and domestic upstream suppliers
- Serves around 110,000 downstream clients, including graded hospitals, primary medical institutions, retail pharmacies and other clients

Revenue:

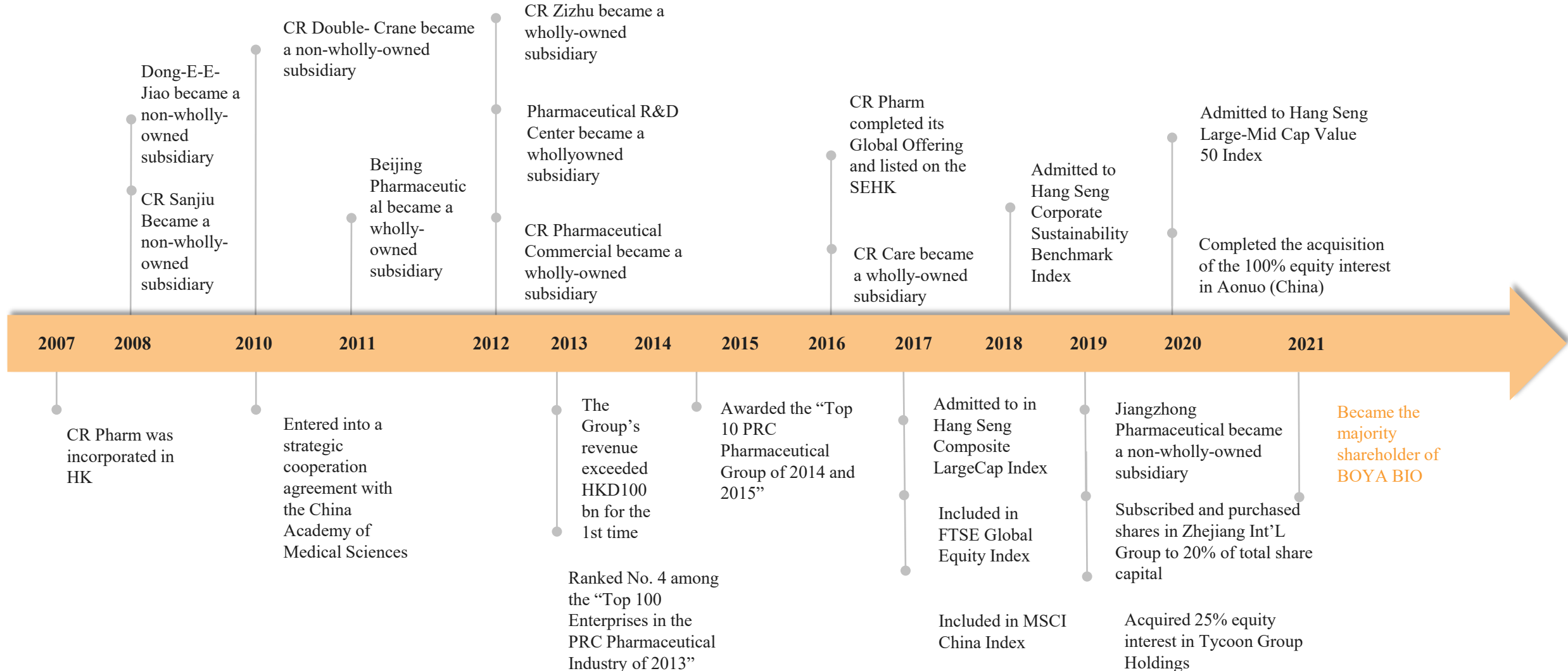
Revenue: HK\$3.6bn
Gross Profit: HK\$0.3bn

- Operates 846 retail pharmacies, 203 DTP pharmacies, covering 89 cities in China
- Premium brand names including CR Care, Yibaoquanxin, Li'an chain, Tung Tak Tong, and Teck Soon Hong



- New retail division and internet medical division to promote “combination of medical and health care”, “pharmacy + treatment”, “Internet + pharmacy” and other innovative business models and develop ex-hospital Internet retail business system






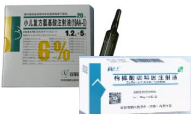

Appendix 6: Development Milestones



Appendix 7: 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 Zhuifeng 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 8: 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 9: Product Portfolio - Chemical Drugs & biologicals

Main Products		Therapeutic Area
	Wang Bi Jiao Nang (尙痹胶囊)	Musculoskeletal system
	Bingwusuanmei Huanshi Pian (丙戊酸镁缓释片 (神泰))	Psychoneurological system
	Citicoline Sodium Tanlets (胞磷胆碱钠片 (诺百益))	Psychoneurological system
	Five basic types of IV solution container systems	Large-volume IV infusion

Main Products		Therapeutic Area
	Recombinant Human Erythropoietin Injection (CHO Cell)(重组人促红素注射液 (CHO细胞) (佳林豪))	Blood and blood-forming organs
	Recombinant Human Interleukin-11(I) for Injection (注射用重组人白介素-11 (I) (百杰依))	Blood and blood-forming organs
	Recombinant Human Tissue-type Plasminogen Activator Derivative for Injection (注射用重组人组织型纤溶酶原激酶衍生物 (瑞通立))	Blood and blood-forming organs
	Compound Dexamethasone Acetate cream (Piyanning) (复方醋酸地塞米松乳膏(皮炎平)) product series and	Dermatological Products