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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of China Resources Pharmaceutical Group Limited (the "**Company**" or "**China Resources Pharmaceutical**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the previous year/period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 — unaudited
*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**131,866,817**	128,597,588
Cost of sales		**(110,357,203)**	(107,664,092)
Gross profit		**21,509,614**	20,933,496
Other income	*5*	**849,442**	811,260
Other gains and losses	*6*	**(1,086,255)**	(656,769)
Selling and distribution expenses		**(10,010,130)**	(9,378,405)
Administrative expenses		**(3,186,557)**	(3,044,405)
Other expenses, net		**(1,038,382)**	(1,012,033)
Finance income		**271,275**	372,154
Finance costs		**(1,006,278)**	(1,177,992)
Finance costs, net	*7*	**(735,003)**	(805,838)

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Share of profits of associates and joint ventures		**113,236**	198,770
Profit before taxation	*8*	**6,415,965**	7,046,076
Income tax	*9*	**(1,362,328)**	(1,505,520)
Profit for the period		**5,053,637**	5,540,556
Attributable to:			
Equity shareholders of the Company		**2,077,282**	2,604,806
Non-controlling interests		**2,976,355**	2,935,750
		5,053,637	5,540,556
Earnings per share attributable to ordinary equity shareholders of the Company:	*10*		
Basic and diluted *(RMB)*		**0.33**	0.41

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2025 — unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Profit for the period	**5,053,637**	5,540,556
Other comprehensive income for the period		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of operations outside Mainland China	**(16,654)**	26,777
Share of other comprehensive income of associates	**144**	(1,560)
	(16,510)	25,217
Item that will not be reclassified to profit or loss:		
Share of other comprehensive income of associates	**1,361**	–
Other comprehensive income for the period, net of tax	**(15,149)**	25,217
Total comprehensive income for the period	**5,038,488**	5,565,773
Attributable to:		
Equity shareholders of the Company	**2,065,943**	2,630,370
Non-controlling interests	**2,972,545**	2,935,403
Total comprehensive income for the period	**5,038,488**	5,565,773

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

(Expressed in RMB)

	Notes	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
Non-current assets			
Property, plant and equipment	*12*	**25,568,020**	20,988,872
Right-of-use assets		**6,359,911**	4,918,458
Investment properties		**1,716,507**	1,673,690
Intangible assets		**11,015,822**	8,507,954
Goodwill		**24,294,206**	22,368,811
Interests in associates		**6,254,242**	5,536,147
Interests in joint ventures		**267,253**	22,924
Other non-current financial assets	*13*	**765,876**	584,325
Deferred tax assets		**2,188,426**	1,968,756
Other non-current assets		**5,350,269**	5,344,804
Total non-current assets		**83,780,532**	71,914,741
Current assets			
Inventories		**41,935,741**	37,052,579
Trade and other receivables	*14*	**101,908,572**	93,929,934
Other current financial assets	*15*	**29,641,070**	28,211,657
Amounts due from related parties		**992,519**	1,262,265
Tax recoverable		**241,292**	222,147
Pledged and term deposits		**10,636,874**	8,703,691
Cash and cash equivalents		**17,673,922**	16,424,739
		203,029,990	185,807,012
Assets classified as held for sale		**38,917**	38,567
Total current assets		**203,068,907**	185,845,579

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Current liabilities			
Trade and other payables	*16*	**82,784,395**	80,742,110
Contract liabilities		**3,384,926**	4,224,594
Lease liabilities		**533,032**	520,268
Amounts due to related parties		**887,063**	875,778
Borrowings		**53,831,777**	42,702,306
Bonds payable		**2,040,117**	2,150,582
Tax payable		**815,636**	954,898
Defined benefit obligations		**48,753**	51,388
		144,325,699	132,221,924
Liabilities classified as held for sale		**243**	–
Total current liabilities		**144,325,942**	132,221,924
Net current assets		**58,742,965**	53,623,655
Total assets less current liabilities		**142,523,497**	125,538,396
Non-current liabilities			
Borrowings		**17,583,347**	17,866,213
Bonds payable		**7,998,336**	4,997,673
Lease liabilities		**764,333**	768,138
Deferred tax liabilities		**2,244,857**	1,915,360
Defined benefit obligations		**762,130**	773,542
Other non-current liabilities		**1,135,660**	1,130,192
Total non-current liabilities		**30,488,663**	27,451,118
NET ASSETS		**112,034,834**	98,087,278
CAPITAL AND RESERVES			
Share capital		**24,630,493**	24,630,493
Reserves		**25,337,290**	23,613,743
Total equity attributable to equity shareholders of the Company		**49,967,783**	48,244,236
Non-controlling interests		**62,067,051**	49,843,042
TOTAL EQUITY		**112,034,834**	98,087,278

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1. CORPORATE INFORMATION

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited with effect from 28 October 2016. The address of the registered office of the Company is 41/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The Group is principally engaged in the manufacture, distribution and retail of pharmaceutical and healthcare products.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1. Basis of preparation

The interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was approved and authorised for issue by the board of directors on 26 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.2.

The preparation of the interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2.2. Changes in accounting policies

The Group has applied the following amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim financial information.

The Group has not applied any new or amended standard that is not yet effective for the current accounting period. The management is assessing the impact of such standards and will adopt the relevant standards in the subsequent periods as required.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The board of directors of the Company, being the chief operating decision maker ("**CODM**"), considers resource allocation and assesses segment performance from a different business type perspective.

Specifically, the Group has four reportable operating segments as follows:

(a) Pharmaceutical manufacturing business (Manufacturing segment) — research and development, manufacture and sale of a broad range of pharmaceutical and healthcare products;

(b) Pharmaceutical distribution business (Distribution segment) — distribution, warehousing, logistics, and other value-added pharmaceutical supply chain solutions and related services to pharmaceutical/medical devices manufacturers and dispensers, such as hospitals, distributors and retail pharmacies;

(c) Pharmaceutical retail business (Retail segment) — operation of retailing of pharmacy stores;

(d) Other business operations (Others) — property holding and others.

No operating segments have been aggregated to derive the reportable segments of the Group.

Inter-segment sales are conducted at prices and terms mutually agreed amongst those operating segments, with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The board of directors assesses the performance of the operating segments based on a measure of revenue and segment results.

Segment results represent the profit earned by each segment without allocation of other income, other gains and losses, administrative expenses, other expenses, share of results of associates and joint ventures, finance income and non-leased-related finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following tables present revenue and results for the Group's operating segments for the six months ended 30 June 2025 and 2024:

Six months ended 30 June 2025	**Manufacturing segment** *RMB'000*	**Distribution segment** *RMB'000*	**Retail segment** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Segment revenue					
External sales	**21,828,091**	**104,453,805**	**5,514,645**	**70,276**	**131,866,817**
Inter-segment sales	**2,980,189**	**3,875,922**	**–**	**–**	**6,856,111**
	24,808,280	**108,329,727**	**5,514,645**	**70,276**	**138,722,928**
Elimination:					
Elimination of inter-segment sales					**(6,856,111)**
Revenue					**131,866,817**
Segment results	**7,442,942**	**3,897,856**	**79,316**	**46,766**	**11,466,880**
Other income *(Note 5)*					**849,442**
Other gains and losses *(Note 6)*					**(1,086,255)**
Administrative expenses					**(3,186,557)**
Other expenses, net					**(1,038,382)**
Finance income *(Note 7)*					**271,275**
Finance costs (other than interest on lease liabilities)					**(973,674)**
Share of profits of associates and joint ventures					**113,236**
Profit before taxation					**6,415,965**

Six months ended 30 June 2024	Manufacturing segment *RMB'000*	Distribution segment *RMB'000*	Retail segment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue					
External sales	21,171,073	102,419,039	4,949,379	58,097	128,597,588
Inter-segment sales	2,622,124	3,463,347	–	–	6,085,471
	23,793,197	105,882,386	4,949,379	58,097	134,683,059
Elimination:					
Elimination of inter-segment sales					(6,085,471)
Revenue					128,597,588
Segment results	7,488,846	3,955,896	49,635	29,069	11,523,446
Other income *(Note 5)*					811,260
Other gains and losses *(Note 6)*					(656,769)
Administrative expenses					(3,044,405)
Other expenses, net					(1,012,033)
Finance income *(Note 7)*					372,154
Finance costs (other than interest on lease liabilities)					(1,146,347)
Share of profits of associates and joint ventures					198,770
Profit before taxation					7,046,076

4. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15 recognised at point in time		
Sale of pharmaceutical products	**131,793,391**	128,536,011
Revenue from other sources		
Gross rental income from investment property under operating leases	**73,426**	61,577
	131,866,817	128,597,588
Revenue disaggregated by geographical markets		
Chinese Mainland	**131,344,541**	127,948,007
Hong Kong and others	**522,276**	649,581
	131,866,817	128,597,588

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Service fee income	**305,333**	375,948
Government grants	**324,586**	227,577
Others	**219,523**	207,735
	849,442	811,260

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Impairment recognised on property, plant and equipment	**(206)**	(16)
Impairment recognised on intangible assets	**(32,803)**	(815)
Impairment recognised on interests in associates	**(392,463)**	–
Impairment recognised on trade and other receivables, net	**(608,800)**	(590,198)
Gain/(loss) on disposal of items of property, plant and equipment and right-of-use assets, net	**4,920**	(1,694)
Loss on derecognition of trade and bills receivables measured at fair value through other comprehensive income	**(88,870)**	(113,471)
Fair value changes of financial assets at fair value through profit or loss	**61,247**	23,082
Others	**(29,280)**	26,343
	(1,086,255)	(656,769)

7. FINANCE COSTS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Finance costs:		
Interest on borrowings	**886,787**	1,021,326
Interest on bonds payable	**85,938**	117,763
Interest on borrowings from an intermediate holding company	**–**	6,972
Interest on lease liabilities	**32,604**	31,645
Interest on defined benefit obligations	**2,161**	2,825
Less: Interest capitalised in property, plant and equipment *(Note)*	**(1,212)**	(2,539)
Total finance costs	**1,006,278**	1,177,992
Finance income - Interest income	**(271,275)**	(372,154)
Net finance costs	**735,003**	805,838

Note: The capitalisation rate is 3.15%–3.50% for the period (six months ended 30 June 2024: 4.60%).

8. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Cost of inventories*	**109,630,879**	107,026,942
Research and development expenditure (included in other expenses)	**970,848**	939,014
Depreciation of property, plant and equipment	**1,171,848**	993,166
Depreciation of right-of-use assets	**396,758**	338,835
Amortisation of intangible assets	**318,947**	296,019
Allowance for slow-moving and obsolete inventories	**15,736**	30,575
Lease expenses not included in the measurement of lease liabilities	**61,494**	66,870
Foreign exchange loss, net	**5,792**	33,553

* Cost of inventories relating to staff costs and depreciation are also included in the respective total amounts disclosed separately above.

9. INCOME TAX

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
Provision for the period	**1,616,963**	1,611,015
Origination and reversal of temporary differences	**(254,635)**	(105,495)
	1,362,328	1,505,520

The Group operates in multiple jurisdictions, which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development. The Group is in the process of making an assessment of what the impact of Pillar Two model rules is expected to be on the income taxes. So far it has concluded that the Pillar Two model is unlikely to have a significant impact on the consolidated financial statements.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit attributable to equity shareholders of the Company used in the basic earnings per share calculation	**2,077,282**	2,604,806
Less: Forfeitable dividends declared to owners of the restricted shares of subsidiaries during the period	**(3,954)**	–
Profit attributable to ordinary equity shareholders of the Company used in the basic earnings per share calculation	**2,073,328**	2,604,806

	Six months ended 30 June	
	2025	2024
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**6,282,510,461**	6,282,510,461

The restricted stock incentive plans of Jiangzhong Pharmaceutical Co., Ltd., China Resources Sanjiu Medical & Pharmaceutical Company Limited and China Resources Double Crane Pharmaceutical Co., Ltd., are anti-dilutive, the basic and diluted EPS are the same.

11. DIVIDENDS

(a) Dividends declared after the end of the reporting period

On 26 August 2025, the directors of the Company resolved to declare an interim dividend of RMB0.072 per ordinary share, in an aggregate amount of RMB452 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB521 million). Dividends declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.

(b) Dividends declared during the period

	2025	2024
	RMB'000	*RMB'000*
Dividend for ordinary shareholders of the Company recognised as distribution during the period: Final 2024 — RMB0.052 per ordinary share (2024: Final 2023 — RMB0.154 per ordinary share)	**326,691**	967,507

A final dividend in respect of the year ended 31 December 2024 of RMB0.052 per ordinary share, in an aggregate amount of RMB327 million, was approved at the annual general meeting of the Company on 23 May 2025 and remained unpaid to the shareholders of the Company as at the end of the reporting period.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment approximately amounting to RMB1,225,102,000 (six months ended 30 June 2024: RMB877,205,000), excluding the property, plant and equipment acquired through business combinations.

Assets with a net book value of approximately RMB19,926,000 were disposed of by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB57,709,000), resulting in a net gain on disposal of approximately RMB606,000 (six months ended 30 June 2024: a net loss on disposal of approximately RMB1,694,000).

13. OTHER NON-CURRENT FINANCIAL ASSETS

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Equity investments, at fair value through other comprehensive income *(Note a)*	**69,435**	69,435
Equity investments, at fair value through profit or loss *(Note b)*	**696,441**	514,890
	765,876	584,325

Note a: The Group's equity investments at fair value through other comprehensive income represented investments in unlisted entities established in the PRC. These entities are principally engaged in pharmaceutical related operations.

Note b: The Group's equity investments at fair value through profit or loss represented investments in entities established in the PRC. These entities are principally engaged in research and development, distribution and related operations of pharmaceutical products. The above equity investments failed the solely payments of principal and interest ("**SPPI**") criterion, and were classified as financial assets at fair value through profit or loss.

14. TRADE AND OTHER RECEIVABLES

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Bills receivable	**683,739**	1,057,307
Contract assets	**54,297**	64,596
Trade receivables	**92,376,246**	83,694,249
Impairment allowance	**(3,514,385)**	(2,910,797)
	88,861,861	80,783,452
Prepayments	**3,737,744**	4,069,522
Other receivables	**8,970,081**	8,341,151
Impairment allowance	**(399,150)**	(386,094)
	8,570,931	7,955,057
	101,908,572	93,929,934

The Group generally allows credit periods, ranging from 30 to 365 days, to its trade customers. The bills receivable generally have maturity periods ranging from 30 to 180 days.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of impairment allowance, is as follows:

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
0 to 30 days	**19,001,914**	19,403,995
31 to 60 days	**11,186,870**	11,950,773
61 to 90 days	**10,079,834**	7,656,996
91 to 180 days	**19,401,912**	17,219,042
181 to 365 days	**20,728,425**	18,158,794
Over 1 year	**8,462,906**	6,393,852
	88,861,861	80,783,452

An ageing analysis of the Group's bills receivable as at the end of reporting period, based on the issue date, is as follows:

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
0 to 30 days	**279,599**	615,874
31 to 60 days	**90,780**	173,400
61 to 90 days	**85,601**	66,667
91 to180 days	**227,759**	201,366
	683,739	1,057,307

15. OTHER CURRENT FINANCIAL ASSETS

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Trade and bills receivables, at fair value *(Note a)*	**20,510,229**	18,988,711
Financial products, at fair value *(Note b)*	**9,070,849**	9,222,946
Equity investments, at fair value through profit or loss	**59,992**	–
	29,641,070	28,211,657

Note a: The Group has classified trade and bills receivables that are held within a business model both to collect cash flows and to sell financial assets at fair value through other comprehensive income.

Note b: Financial products at fair value included structured deposits entered into by the Group with banks and financial institutions. These structured deposits (where the effect of the structured element is not material) failed the SPPI criterion and were classified as financial assets measured at fair value through profit or loss.

16. TRADE AND OTHER PAYABLES

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Trade payables	**42,738,165**	40,062,416
Bills payable	**17,109,593**	18,535,915
Accrued salaries	**3,096,136**	3,740,147
Other tax payables	**960,258**	942,129
Other payables	**16,937,457**	15,703,647
Refund liabilities	**1,163,958**	1,224,330
Payable for acquisitions of subsidiaries	**778,828**	533,526
	82,784,395	80,742,110

The credit period for purchases of goods ranges from 30 to 90 days. The bills payable have maturity periods ranging from 30 to 180 days. As at 30 June 2025, the Group's bills payable of RMB16,484,375,000 (31 December 2024: RMB17,581,278,000) were secured by the Group's bills receivable with an aggregate carrying amount of RMB387,490,000 (31 December 2024: RMB330,791,000) and pledged bank deposits of RMB5,223,557,000 (31 December 2024: RMB5,254,027,000).

An ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
0 to 30 days	**21,056,480**	19,815,023
31 to 60 days	**7,699,286**	7,415,293
61 to 90 days	**3,752,799**	3,380,817
Over 90 days	**10,229,600**	9,451,283
	42,738,165	40,062,416

An ageing analysis of the Group's bills payable, based on the issue date, is as follows:

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
0 to 30 days	**4,257,304**	5,652,836
31 to 60 days	**2,794,727**	3,473,684
61 to 90 days	**2,835,625**	2,918,458
Over 90 days	**7,221,937**	6,490,937
	17,109,593	18,535,915

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Since 2025, despite the complex and volatile international environment with increasing instability and uncertainty, under the effect of proactive macro policies, China's economy has maintained overall stability with steady upward momentum. According to the National Bureau of Statistics, China's GDP grew by 5.3% year-on-year in the first half of 2025. Domestic demand expanded steadily, and consumption played a significant supporting role. New productive forces were cultivated and expanded, while economic development moved in a new and improved direction.

China's pharmaceutical industry is still in a period of structural adjustment featuring stock optimization and incremental expansion of innovative pharmaceuticals and medical devices, with the overall growth rate of the industry under short-term pressure. In the first half of 2025, the operating revenue of China's pharmaceutical manufacturing industry above designated size reached RMB1,227.52 billion, representing a year-on-year decrease of 1.2%; the total profit amounted to RMB176.69 billion, representing a year-on-year decrease of 2.8%. In the long run, driven by favorable factors such as the increasing rigid demand brought by population aging, the comprehensive advancement of the "*Healthy China*" initiative, and the continuous improvement of innovation capabilities, China's pharmaceutical industry boasts strong resilience, sufficient vitality and broad market space.

From the perspective of segmented fields, the *"Healthy China 2030" Planning Outline (《「健康中國2030」規劃綱要》)* calls for "focusing on people's health" which has promoted the all-round development of the pharmaceutical and health industry covering prevention, health care, treatment, rehabilitation and other fields. Policies supporting traditional Chinese medicine (TCM) have been further strengthened. In March 2025, the General Office of the State Council issued the *Opinions on Improving the Quality of TCM and Promoting the High-Quality Development of the TCM Industry (《關於提升中藥質量促進中醫藥產業高質量發展的意見》)*, providing leading enterprises in the industrial chain with greater development opportunities. The innovative pharmaceutical industry has received full-chain supporting policies, and its market development space will be further expanded. The booming AI technology will gradually empower all links of the pharmaceutical industry, helping to improve efficiency and drive the evolution of business models.

China has further deepened the reform of the medical and health system, promoted the coordinated development and governance of medical insurance, medical services, and pharmaceuticals, and reasonably balanced development and safety, innovation and cost control, as well as support and regulation. The launch of the commercial health insurance catalog for innovative drugs will further promote their development. At the same time, centralized procurement has improved quality and expanded coverage, the scope of price governance has been further expanded, and the reform of DRG/DIP (Diagnosis-Related Groups/Diagnosis-Intervention Packet) payment methods has been fully deepened and implemented, which has further standardized prescription behaviors and promoted overall cost reduction, efficiency improvement, transformation and upgrading of the pharmaceutical industry. The continuous advancement of anti-corruption efforts in the medical and pharmaceutical fields will further purify the industry ecology, which is beneficial to the development of leading enterprises and those with standardized operations in the industry.

GROUP RESULTS AND HIGHLIGHTS

The year 2025 marks a concluding year of the "14th Five-Year Plan". The Group proactively implemented national strategies, actively fostered new quality productive forces, strengthened the layout of strategic emerging industries, focused on investment and integration, promoted research and development (R&D) innovation, and continuously improved the level of digitalization and green development. The Group has achieved steady growth in results, continuous improvement in operational resilience, and sustained enhancement of the momentum for high-quality development.

The Group is a leading integrated pharmaceutical company with stable and consolidated strength in China's pharmaceutical industry. The Group ranks third in the industry in terms of overall scale, second in the top 100 pharmaceutical industry for its pharmaceutical manufacturing business, and third in the industry scale for its pharmaceutical distribution business.

During the Reporting Period, China Resources Sanjiu Medical & Pharmaceutical Company Limited ("**CR Sanjiu**", 華潤三九醫藥股份有限公司), a subsidiary of the Company, rose to the 29th position in Ipsos' *2025 China Brand Influence Index (BII)*. The Group's brands "Jiangzhong", "Dong-E-E-Jiao" and "Yuting" were listed in the *2025 China's 500 Most Valuable Brands* released by the World Brand Lab. The "Jiangzhong" and "Dong-E-E-Jiao" brands were selected for the first batch of *China's Premium Consumer Brands* by Ministry of Industry and Information Technology (MIIT) of China. These honors have demonstrated the Group's strong brand strength and influence.

1. Financial Performance

During the Reporting Period, the Group recorded total revenue of RMB131,866.8 million, representing an increase of 2.5% compared to RMB128,597.6 million in the same period last year. In the first half of 2025, the revenue of the Group's three major business segments, namely pharmaceutical manufacturing, pharmaceutical distribution, and pharmaceutical retail and others, accounted for 16.6%, 79.2% and 4.2% of the Group's total revenue, respectively.

During the Reporting Period, the Group recorded a gross profit of RMB21,509.6 million, representing an increase of 2.8% from RMB20,933.5 million for the same period last year. The overall gross profit margin was 16.3%, remaining the same as that in the first half of 2024.

During the Reporting Period, the Group recorded a net profit of RMB5,053.6 million, representing a decrease of 8.8% from RMB5,540.6 million for the first half of 2024. The Group generated a profit attributable to owners of the Company of RMB2,077.3 million, representing a decrease of 20.3% compared with that of RMB2,604.8 million for the first half of 2024. Excluding the effect of one-off items such as the impairment of associates, the net profit of the Group recorded a slight year-on-year decrease of 1.3% during the Reporting Period, while the profit attributable to the owners of the Company recorded a slight year-on-year decrease of 4.7%. Basic earnings per share were RMB0.33 during the Reporting Period (RMB0.41 in the first half of 2024). The Board has declared an interim dividend of RMB0.072 per share for the six months ended 30 June 2025 (2024 interim dividend was RMB0.083).

2. Pharmaceutical Manufacturing Business

(1) Financial performance

During the Reporting Period, the Group's pharmaceutical manufacturing business generated segment revenue of RMB24,808.3 million, representing a year-on-year increase of 4.3%. All business segments, including TCM, biopharmaceutical drugs, nutraceuticals and others, recorded an increase in revenue. The gross profit margin of the pharmaceutical business was 59.3%, representing a slight decrease of 0.8 percentage point compared with the same period last year.

Sales revenue from Pharmaceutical manufacturing business by product categories *(RMB' million)*	**In the first half of 2025**	**In the first half of 2024**	**Period-over-period growth**
TCM	**13,062.0**	**11,968.7**	**9.1%**
including: Over-the-counter (OTC) drugs	8,656.4	9,472.0	–8.6%
Prescription drugs	4,405.6	2,496.7	76.5%
Chemical drugs	**8,928.3**	**9,497.4**	**–6.0%**
including: OTC drugs	2,490.4	2,620.7	–5.0%
Prescription drugs	5,775.6	6,192.3	–6.7%
API	662.3	684.4	–3.2%
Biopharmaceutical drugs	**1,269.6**	**1,134.9**	**11.9%**
Nutraceuticals and others	**1,548.4**	**1,192.2**	**29.9%**
Total	**24,808.3**	**23,793.2**	**4.3%**

As of the end of the Reporting Period, the Group had a total of 83 production bases and 561 production lines, manufacturing 944 types of products. Among these, 555 products were included in the National Reimbursement Drug List, and 235 products were listed in the Essential Drug List.

In terms of product categories, the Group's revenue from the TCM business of pharmaceutical manufacturing segment was RMB13,062.0 million during the Reporting Period, representing a year-on-year increase of 9.1%, of which revenue from the TCM OTC drug business declined by 8.6% year-on-year, mainly due to a decrease in revenue from cold and flu-related products; while revenue from the TCM prescription drug business increased by 76.5% year-on-year, primarily driven by a significant increase in revenue from cardiovascular and cerebrovascular products as a result of the acquisition of Tasly Pharmaceutical Group Co., Ltd. ("**Tasly Pharmaceutical**", 天士力醫藥集團股份有限公司). The chemical drug business recorded revenue of RMB8,928.3 million, representing a year-on-year decrease of 6.0%, of which revenue from the chemical OTC drug business declined by 5.0% year-on-year, mainly due to a drop in revenue from pediatric products; revenue from the chemical prescription drug business decreased by 6.7% year-on-year, primarily due to reduced revenue from infusion and anti-infective products; revenue from active pharmaceutical ingredients (API) business slightly declined by 3.2% year-on-year. During the Reporting Period, the biopharmaceutical business achieved revenue of RMB1,269.6 million, representing a year-on-year increase of 11.9%, mainly attributable to revenue growth in blood products and cardiovascular and cerebrovascular products following the acquisitions of Green Cross HK Holdings Limited ("**Green Cross HK**") and Tasly Pharmaceutical. Revenue from nutraceuticals and other business amounted to RMB1,548.4 million, representing a significant year-on-year increase of 29.9%, primarily due to increased revenue from medical device products following the acquisition of Sichuan Nigale Biotechnology Co., Ltd. ("**Nigale**").

(2) Key measures

a. Advancing industrial integration and strengthening external development

The Group promoted post-investment integration. The Group completed the acquisition of Nigale and facilitated a smooth transition through measures such as organizational culture assimilation, risk prevention and control, business integration, and management empowerment. In March 2025, the Group finalized the acquisition of Tasly Pharmaceuticals, and plans to accelerate business consolidation to further solidify its leading position in the TCM industry and enhance TCM innovation capabilities. Following the consolidation of Green Cross HK in the fourth quarter of 2024, the Group implemented a look-through management model for business centers during the Reporting Period, progressively advancing unified oversight in R&D, plasma collection, production, and marketing to strengthen the overall competitiveness of the blood products segment. The Group continued deepening post-investment integration with KPC Pharmaceuticals, Inc. ("**KPC**", 昆藥集團股份有限公司), a subsidiary of the Company, by building the "777" and "Kun Zhong Yao 1381" brands around four reshaping works and driving comprehensive integration between KPC and Kunming China Resources Shenghuo Pharmaceutical Co., Ltd. (昆明華潤聖火藥業有限公司) to achieve synergies across R&D, production, and sales. Concurrently, in collaboration with local governments, the Group actively advanced the development of the Sanqi industry chain and has made significant progress in technological innovation, process upgrades and smart manufacturing.

Establishing industrial funds. The Group plans to establish CR Pharmaceutical (Chengdu) Innovation Investment Fund Partnership (Limited Partnership) (華潤醫藥 (成都) 創新投資基金合夥企業 (有限合夥)) with a proposed total scale of RMB1 billion. China Resources Pharmaceutical and its subsidiaries intend to jointly contribute RMB245 million in the fund. The fund serves as a strategic tool to execute the Group's development strategy, strengthen its presence in strategic emerging industries, enhance collaboration between central and local governments, facilitate controlling acquisitions, and foster innovation incubation. It will focus on key sectors such as innovative chemical drugs, biologics, high-end medical devices, TCM nourishment, and synthetic biology. Besides, the Group intends to invest in the establishment of China Resources Double-Crane Biomedical Industry Fund (Hohhot) Investment Partnership Enterprise (Limited Partnership) (華潤雙鶴生物醫藥產業基金(呼和浩特)投資合夥企業(有限合夥)), with a target fundraising scale of RMB500 million. China Resources Pharmaceutical and its subsidiaries plan to jointly contribute no more than RMB123 million in the fund. The establishment of this fund will help optimize the Group's strategic layout in synthetic biology.

Introducing innovative products. During the Reporting Period, China Resources Double-Crane Pharmaceutical Co., Ltd. ("**CR Double-Crane**", 華潤雙鶴藥業股份有限公司), a subsidiary of the Company, held a strategic cooperation signing ceremony with Henan Zhongshuai Pharmaceutical Co., Ltd. (河南中帥醫藥有限公司) where both parties reached an exclusive cooperation agreement for the marketing of Dexmethylphenidate Hydrochloride Extended-Release Capsules ("**Guanzhu**") in Mainland China. Leveraging CR Double-Crane's strengths in industrial and commercial synergies across multiple therapeutic areas and its robust marketing network, the cooperation aims to raise diagnosis and treatment standards for children with Attention Deficit Hyperactivity Disorder (ADHD), benefiting millions of affected families. Additionally, CR Sanjiu partnered with Nanjing Help Therapeutics Co., Ltd (南京艾爾普再生醫學科技有限公司) to co-develop the *HiCM-188 (iPSC-derived cardiomyocytes)* project. As the world's first heart failure regenerative therapy innovative drug based on Induced Pluripotent Stem Cells (IPSCs) to receive clinical implied approval in both China and the U.S., HiCM-188 strives to address the unmet clinical needs of end-stage heart failure patients and help further expand the Group's presence in the cell therapy sector, so as to offer new treatment options for heart failure patients.

b. Developing new quality productive forces and enhancing innovation momentum

The Group considers R&D innovation a key driver of long-term growth and consistently increases R&D investment. During the Reporting Period, the total R&D expenditure was RMB1.25 billion. As at the end of the Reporting Period, the Group had 476 ongoing R&D projects, including 178 new drug projects. The Group operates 2 national key laboratories, 4 national engineering technology research centers, 1 national industrial innovation center, 5 national enterprise technology centers, over 110 provincial and municipal R&D platforms, and a post-doctoral research workstation. The Group has implemented a comprehensive talent recruitment and development system, strengthening efforts to nurture talent at all levels. Our R&D team comprises 3,868 professionals, with master's and doctoral degree holders accounting for 42.0% of our R&D team.

Building high-quality pipelines. The Group made significant strides in innovative R&D across TCM, biologics and chemical drugs by aligning its innovation-driven strategy with national priorities, societal needs, public demand and market requirements. During the Reporting Period, in terms of the TCM sector, the Group advanced R&D on over 50 classic TCM prescriptions while successfully obtaining approval for *Yiqi Qingfei Granules*, a classical prescription. For the biologics sector, key milestone was achieved with the production approval of intravenous immunoglobulin (10%). In the chemical drug business, the Group secured 19 new drug registration approvals, including Levetiracetam Oral Solution, Methocarbamol Injection, Mercaptopurine Tablets (II), Gadopentetate Dimeglumine Injection, Tigecycline for Injection, Ceftizoxime Sodium for Injection, Ceftobiprole Sodium for Injection, Fulvestrant Injection, Ertapenem Sodium for Injection, and Lactulose Oral Solution, while 4 generic drugs, including Glycerol Fructose and Sodium Chloride Injection, Potassium Chloride Injection (Ampoule) (10ml:1.0g), and Vitamin B6, passed the generic drugs quality and efficacy consistency evaluation. During the Reporting Period, except for aforesaid approvals, the Group also advanced certain researches, with 8 products receiving clinical trial approvals.

The Group was honored with and undertook ministerial and provincial-level awards and projects. During the Reporting Period, the Group was honored with one national and provincial-level award. Notably, Dong-E-E-Jiao Co., Ltd. ("**Dong-E-E-Jiao**", 東阿阿膠股份有限公司), a subsidiary of the Company, was awarded the Second Prize of Shandong Provincial Science and Technology Progress Award for its participation in the project "*Establishment and Application of Key Technological System for Quality Control and Standard Innovation of Animal-based TCM*". The Group secured approval for 7 national and provincial-level projects. Among these, China Resources Jiangzhong Pharmaceutical Group Co., Ltd. ("**CR Jiangzhong**", 華潤江中製藥集團有限責任公司), a subsidiary of the Company, undertook 1 specialized patent research project titled "*Patent Analysis Research on Key Technologies for Innovative TCM Derived from Classical Prescriptions*" under the National Intellectual Property Administration (NIPA), and 2 national key R&D programs, i.e. the "*Demonstration Study and Application of Fresh-Cutting Technology for Chinese Herbal Medicines and Its Impact on Quality Based on the 'Three-Timing, Three-Step, Three-Action' Innovation System"* and the *"Research on Key Technologies for Characteristic Flavor Evaluation of Medicine-Food Homologous Substances*".

Building an innovation ecosystem. The Group actively expanded external innovation and collaboration. During the Reporting Period, it explored potential cooperation with the Hong Kong Nano and Advanced Materials Institute in the fields of bio-medicine and nano-materials, and reached strategic consensus and signed a framework agreement on a nano-formulation project for Alzheimer's disease treatment. The pioneering DRIPs inhibitor project for cervical precancerous lesions and cervical cancer treatment, intended to be developed in collaboration with Professor Chun LIANG's team at the Hong Kong University of Science and Technology, received HK$54 million of funding support from the RAISe+ program of the Hong Kong SAR Government. The Group established strategic partnerships with Sichuan University to jointly create an Industrial Innovation Research Center, co-established the Shandong Provincial Academician Workstation to develop an "intelligent engine" for donkey industry innovation in collaboration with Academician Shi Bi, co-founded the "TCM Heritage and Innovation Drug Research Institute (中醫傳承創新藥物研究院)" together with Beijing Normal University and Shandong First Medical University to strengthen cross-regional and interdisciplinary integration of innovation capabilities in key areas of tonic medicine development, and jointly built classical prescription innovation consortiums with Shanghai University of TCM and Jiangxi University of TCM.

c. *Strengthening the construction of industrial chain to improve industrial competitiveness*

Driving upstream innovation to achieve self-sufficiency and high-quality development of key raw materials. Leveraging its leading position and competitive advantages in the TCM industry, the Group strategically expanded upstream medicinal herb cultivation bases for key product varieties by sustaining research efforts in new cultivar breeding, ecological cultivation, and post-harvest processing technologies and adding over 1,500 mu (100 hectares) of cultivation bases for herbs including Glechoma longituba, Chrysanthemum indicum, and Plantago asiatica seeds. Furthermore, as the lead organization of the Sanqi industry innovation consortium, the Group actively mobilized member institutions to promote GAP cultivation. Jiangxi Nanchang Jisheng Pharmaceutical Co., Ltd. (江西南昌濟生製藥有限責任公司), a subsidiary of the Company, was selected as a participant in "*Customized Pharmaceutical Park*" initiative of Jiangxi province, while the Yunnan Sanqi Research Institute (雲南省三七研究院) was approved as a cultivation target for Yunnan Province's new-type R&D institutions. In the field of blood products, the Group implemented multiple initiatives across existing plasma collection stations, including organizational restructuring, digital transformation, local branding campaigns, and quarterly thematic programs, leading to a total plasma collection volume of 320 tons in the first half of the year, representing a 7.2% year-on-year increase, which outperformed the industry average. Besides, the Group proactively implemented an integrated strategy for chemical raw material formulations by focusing on process innovation to build cost-competitive advantages in API, and established a low-cost advantage under the competitive mechanism of the API market by enhancing raw material R&D capabilities and process optimization.

Continuing to drive cost reduction, efficiency improvement and quality enhancement in the midstream. The Group consistently optimized lean management, addressing pain points and challenges by driving management improvements through systematic approaches, end-to-end coverage, and project-based initiatives. For instance, CR Jiangzhong comprehensively advanced 22 lean projects, ensuring effective product supply through innovations in production processes and optimization of production organization. The Group has established internal benchmark enterprises to identify best practices and drive the implementation of cost-saving targets and action plans. The Group continuously strengthened its centralized procurement capabilities by promoting the launch of a supply management system that synchronizes sales, production and procurement plans, thereby establishing a complete closed-loop data chain for supply chain management. At the same time, the Group continued to deepen its quality system development. CR Sanjiu advanced the trial operation of the second phase of its Quality Management System (QMS); Dong-E-E-Jiao put its Laboratory Information Management System (LIMS) into use, and accelerated the automation of inspection processes.

Vigorously driving the transformation of marketing model in the downstream. The Group proactively engaged in centralized procurement for the hospital market, with a total of 141 products selected for the state-organized centralized drug procurement. By participating in national centralized procurement, the Group rapidly gained access to core healthcare markets. Meanwhile, the Group proactively adjusted its marketing strategies by focusing on chronic disease medications, primary care drugs, and specialty therapeutics, while continuously enhancing its professional academic promotion and services. For products not yet included in the national centralized procurement program, the Group actively participated in provincial-level and alliance-based procurement initiatives, while establishing a multi-channel marketing system. The Group expanded the retail market coverage of its prescription drugs by focusing on the out-of-hospital market, ensured multi-channel accessibility across both hospital and retail settings, and established a consumer-centric retail model. The Group strengthened its online pharmaceutical channel expansion by establishing strategic partnerships with industry leaders such as JD Pharmacy, AliHealth Pharmacy, and Ping An Good Doctor, with an aim to tap into online growth potential and extend business frontiers. Additionally, focusing on the health supplement customer operation scenario, the Group optimized the experience across the three touchpoints of customers, store staff, and operations, upgraded the membership management platform, e-commerce WMS/OMS platforms, and the health supplement new retail platform, as well as launched an intelligent customer service system to elevate customer experience, achieving 100% coverage across the entire customer service lifecycle.

d. *Promoting international development and expanding new development space*

Advancing the global expansion of TCM. The Group's Xuesaitong (Panax notoginseng saponins) preparations have obtained market approval in 15 countries worldwide and completed preparations for the soft capsule formulation to enter regulated markets such as the United States and Europe. The Dihydroartemisinin-Piperaquine Tablet (Cotefiz) has secured its first procurement order from The Global Fund and achieved a perfect score in on-time delivery performance evaluation. The Group established Dong-E-E-Jiao International Limited (東阿阿膠國際有限公司) in Hong Kong, dedicated to building an overseas business hub integrating trade, retail, cross-border e-commerce, and raw material procurement functions. The Group deepened its presence in local Hong Kong channels, coordinated product sales and development planning, and has established a strategic partnership with Maxim's Hong Kong (香港滿貫). This collaboration has enabled Ejiao blocks and instant Ejiao powder to be sold in outlets such as Mannings in Hong Kong. Dong-E-E-Jiao has entered into a strategic cooperation agreement with Korea's CheongKwanJang, with both parties committing to integrate premium resources across products, channels, and brands. This collaboration aims to deliver high-quality and convenient health solutions to consumers. The Group continued to advance its brand globalization strategy, with Ejiao and related products making appearances at the *137th Canton Fair and the Jakarta International Expo*. The Xuesaitong series of products has held dedicated promotional events in countries such as the United States and Germany, consistently enhancing the international recognition of TCM.

Expanding the overseas market for medical devices. The Group has advanced the registration applications for medical devices in over 50 countries, with its plasma collection product series achieving a market share of over 20% in Europe. During the Reporting Period, the Group obtained the registration certificate for its blood component separation system (including the blood component separator and disposable blood component separation kits) in Ecuador, and initiated distributor registration for the blood component separation system and its matching anticoagulant in Thailand and Saudi Arabia.

3. Pharmaceutical Distribution and Retail Business

(1) Financial performance

During the Reporting Period, the Group's pharmaceutical distribution business recorded segment revenue of RMB108,329.7 million, representing a year-on-year increase of 2.3%. The gross profit margin of the distribution business was 5.9%, remained stable compared with the same period of last year.

During the Reporting Period, the Group's pharmaceutical retail business recorded revenue of RMB5,514.6 million, representing a year-on-year increase of 11.4%, primarily due to the rapid growth in revenue from the Direct To Patient (DTP) business. During the Reporting Period, the DTP business of the Group achieved revenue of approximately RMB3.76 billion, representing a year-on-year growth of approximately 14.1%. The gross profit margin of the retail business was 6.1%, representing a decrease of 0.4 percentage point as compared to the same period of last year, primarily due to the increased proportion of revenue from the DTP business with lower profit margin.

(2) Key measures

As of the end of the Reporting Period, the Group's pharmaceutical distribution network has covered 28 provinces across China, serving approximately 220,000 clients. The Group operated a total of 704 self-owned retail pharmacies, including 279 DTP pharmacies (professional direct-to-patient pharmacies) in total (including 187 "dual-channel" pharmacies).

a. Promoting integrated business co-ordination to enhance product acquisition capability

During the Reporting Period, the Group continued to strengthen its integrated business co-ordination, closely focusing on the core objective of "building new quality capabilities in product acquisition and establishing a premium CR global sourcing brand." The Group deepened the development of its strategic key account management system, established a TOP customer tiered management model, built a full-process management mechanism for high-value customer resources, and created a high-frequency, matrix-style "circle of friends" to provide solid support for the expansion of its global sourcing business. During the Reporting Period, we made over 800 customer contacts and signed 9 marketing cooperation projects. The Group strengthened the synergistic efficiency of the value chain, enhanced supply chain collaboration efficiency through mechanism innovation and resource sharing, connected upstream and downstream enterprises, governments, and third-party organizations to build an efficient "ecosystem," and achieved complementary advantages. The Group also optimized the product resource acquisition mechanism, established a process system covering the entire lifecycle of product introduction, implemented a project management responsibility system, and provided a strong guarantee for acquiring high-quality pharmaceutical products.

b. *Improving in-depth marketing operation system and enhancing in-depth marketing capabilities*

The Group accelerated its transformation from traditional commercial distribution to a dual-wheel drive of distribution and in-depth marketing, and strategically focused on three major marketing areas: specialty drugs, chronic diseases, and retail. The Group built an academic information dissemination network covering medical institutions at all levels nationwide, conducted high-frequency academic information dissemination activities, was awarded the title of "Unit Member of the China Anti-Cancer Association", and strengthened the academic brand influence of its in-depth marketing brand "Runyao". The Group comprehensively constructed a compliance management mechanism covering the entire business chain and established standardized control models for key areas such as legal risk prevention and control. The Group innovated the refined management mechanism for sales teams and optimized system adaptation and process efficiency. Through precise channel control, dynamic optimization of per capita efficiency, and a customer tiered management system, the Group established a refined operation model. During the Reporting Period, the in-depth marketing business covered 31 provinces, 18,000 medical terminals, and 68,000 retail stores.

c. *Accelerating the deployment of the device business and enhancing the professional operation capability of the device business*

During the Reporting Period, revenue from the device distribution business increased by 8% year-on-year. The Group strengthened product introduction, continuously enhanced the development of professional capabilities in orthopaedics, interventional products, IVD, and basic consumables, centrally negotiated the introduction of 7 products in the first half of the year, launched 11 new terminal innovative service projects, completed the development of in-vitro diagnostics and orthopaedic management modules, and further improved service efficiency and customer experience. The CR Regional Laboratory Centre was officially put into operation, focusing on home testing services and third-party medical testing, and is committed to building a testing service system covering the entire scenarios of "in-hospital, out-of-hospital, and home".

d. Promoting business model innovation and enhancing differentiated competitiveness

The Group has comprehensively advanced innovative value-added services on the medical client side, aggregated upstream and downstream of the industrial chain through digital means, provided overall medical service solutions, and reshaped the value of traditional medical channels. During the Reporting Period, it carried out COEs (Centers of Excellence) cooperation with more than 10 key core hospitals, continuously supporting expert oncology research data cohorts and patient management. The Group also jointly applied for the national key project "*Research on the Construction and Application of Active Health Management Model Empowered by Multimodal AI (《基於多模態AI賦能主動健康管理模型構建與應用研究》)*" with COE cooperative hospitals to assist in the construction of departmental research projects. The Group has helped commercial insurance build a digital platform, and cooperated with Beijing Life Insurance to launch the "Shoushan Medicine and Consultation Card" covering 1,500 commonly used drugs and 200 imported original research drugs, creating a new "medical + pharmaceutical + insurance" three-dimensional linkage paradigm. It has steadily advanced its business in the animal health field, continuously expanded general agency and distribution brands, signed and implemented the Shandong regional marketing pilot project in cooperation with Elanco Animal Health, and the overall business volume of animal health has maintained steady growth.

e. Building standardized and professional retail pharmacies to enhance patient service capabilities

The Group has continuously strengthened the construction of professional pharmacies, optimized operating categories, improved operational quality, and continuously upgraded professional service capabilities and drug supply systems. The Group has strengthened the integrated, standardized, and normalized operation and management of pharmacies, independently compiled single-disease knowledge manuals, and empowered front-line pharmacists in daily pharmaceutical services. The Group has promoted the integration of out-of-hospital channels, created the flow between in-hospital and out-of-hospital services, fully launched the "Run Care (潤關愛)" doctor-patient management platform, and served self-operated DTP pharmacies. As of the end of the Reporting Period, the total number of managed patients reached 820,000, and 18 types of specialized disease management services and labels have been formed.

4. **Accelerating Digital and Intelligent Transformation and Development to Empower Business Quality and Efficiency Improvement**

Deepening intelligent manufacturing. The Group accelerated the innovative application of new technologies in the entire industrial chain including raw materials, production, and operations. In terms of raw material management, the Group has completed the development and implementation of systems such as the intelligent breeding platform for the donkey industry, Chinese herbal medicine planting and traceability management, and plasma station SCRM, providing digital management tools for donkey breeding, Chinese herbal medicine planting, and plasma station operations. In terms of production and manufacturing, the Group has focused on promoting the construction of smart factories. During the Reporting Period, the Group won multiple intelligent manufacturing honors: 4 TCM and 3 chemical medicine production bases were awarded "2025 Provincial/ Municipal Advanced Smart Factories"; 2 TCM projects were selected into the 2025 "Open Bidding" and "Industrial Empowerment 100 Scenes" manufacturing digital transformation projects in the industrial field by Shandong Provincial Department of Industry and Information Technology.

Empowering pharmaceutical distribution. With a focus on the digital development strategy of "Digital Medical Commerce, from B to C", the Group comprehensively promotes the in-depth integration of digitalization and business around distribution and retail platforms such as "CR Pharma e-Store (潤藥商城)", "Runyao Available (潤曜通)", "Run Care (潤關愛)", and "Runyao Youxuan (潤曜優選)". The "Runyao Tong" digital ground promotion assistant has been implemented in regions such as Hubei, Henan, and Hunan to provide more targeted services to customers. The drug traceability code platform has been launched in regions such as Shanghai, Beijing, and Inner Mongolia to meet the regulatory requirements of drug administrations and complete the connection with the National Healthcare Security Administration (NHSA). The electronic return receipt was piloted in central and western regions, and after the launch, the efficiency of customer receipt return increased by 85%, further improving logistics efficiency.

5. Deepening Green Development to Fulfill Social Responsibility

The Group remains committed to the concept of green and low-carbon development and actively contributes to the formulation of industry standards to support the sustainable development of the sector. During the Reporting Period, the Group participated in the drafting of the *Low-Carbon Logistics Park Construction Standards for the Pharmaceutical Industry (《醫藥行業低碳物流園區建設標準》)*, and led the drafting of three group standards: the *Guidelines for the Construction of Zero-Waste Factories in Pharmaceutical Enterprises (《製藥企業無廢工廠建設指南》)*, the *Guidelines for the Construction of Zero-Carbon Factories in Pharmaceutical Enterprises (《製藥企業零碳工廠建設指南》)*, and the *Evaluation Standards for Zero-Carbon Factories — Pharmaceutical Industrial Enterprises (《零碳工廠評價規範醫藥工業企業》)*. The Group fulfils its corporate social responsibility through energy-saving and carbon-reduction initiatives, accelerating the implementation of environmental protection projects and the adoption of new technologies. Distributed photovoltaic (PV) power generation projects have been actively deployed at our manufacturing sites to increase the proportion of green and low-carbon energy. Two manufacturing sites have completed rooftop distributed PV projects with an installed capacity of 4.1 MW, which have been connected to the grid and are now generating electricity. These projects are expected to provide over 4.34 million kWh of clean energy annually and reduce carbon emissions by approximately 2,500 tons. The Group has continuously strengthened its ESG system with characteristics tailored to the pharmaceutical industry. It has received an MSCI-ESG rating of A for three consecutive years. CR Sanjiu's rating was upgraded from BB to A, while Dong-E-E-Jiao's rating improved from B to BB. These achievements highlight the Group's management performance in environmental, social and corporate governance areas, as well as the recognition and endorsement from the global capital markets of the Group's ESG management capabilities and long-term investment value. The case study *Green Benchmark, Beautiful Factory (《綠色標杆美麗工廠》)* by Jiangzhong Pharmaceutical was recognised as a Practical Case of Beautiful China Construction by the All-China Environment Federation. In the pharmaceutical distribution segment, the Group has upgraded its transportation fleet by phasing out traditional fuel-powered vehicles and introducing new energy vehicles.

OUTLOOK AND FUTURE STRATEGY

China Resources Pharmaceutical remains committed to its mission of "Protecting Human Health and Improving Quality of Life," with the vision of becoming a trusted, innovation-driven leader in the pharmaceutical and healthcare industry. During the "14th Five-Year Plan" period, the Group actively aligned with national strategies, capitalised on opportunities arising from industry consolidation, accelerated its innovation-driven transformation, and continuously promoted reform and innovation, striving to achieve the strategic goals of the "14th Five-Year Plan" with high quality.

Looking ahead to the "15th Five-Year Plan", the Group will align with national strategies and public health needs, focusing on enhancing core competitiveness and fostering new productive forces. The Group aims to reinforce its leadership position in the industry and make greater contributions to public health by playing a pivotal role in technological innovation, industrial control and security support in the construction of a modern pharmaceutical industry system and the establishment of a new development paradigm.

1. **Commitment to innovation-driven development.** The Group will focus on major diseases, including tumors, immune disorders, and cardiovascular diseases adhering to patient-centered and clinical value-oriented principles. It will strengthen the construction of a differentiated, innovative R&D platform, improving its diverse range of innovative strategies, including self-R&D, external cooperation and product introduction.

2. **Commitment to portfolio optimization.** The Group will consolidate and expand its competitive advantages in TCM and chemical pharmaceuticals, while vigorously developing biopharmaceuticals, featured specialized drugs, high-end medical devices and synthetic biology, and exploring future-oriented industry development models.

3. **Commitment to external expansion.** The Group will continue to increase investment and mergers and acquisitions, leverage industrial funds to explore opportunities, and make full use of its integration capabilities to enhance both the quality and efficiency of development.

4. **Commitment to operational excellence.** The Group will deepen differentiated and classified management, enhance benchmarking with industry leaders, and fully leverage performance evaluation as a management tool to continuously improve operational quality.

5. **Commitment to the empowerment of digitalization and AI.** The Group will harness advanced technologies to reshape business processes, deepen smart manufacturing, and explore the application of AI in R&D, production and marketing to drive higher operational efficiency and quality.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent treasury management policy to maintain a solid and healthy financial position.

The Group funds its operations principally from cash generated from its operations, bank loans and other debt instruments and equity financing from investors. Its cash requirements relate primarily to production and operating activities, business expansion, repayment of liabilities as they become due, capital expenditures, interest and dividend payments.

As at 30 June 2025, the Group had cash and cash equivalents of RMB17,673.9 million (31 December 2024: RMB16,424.7 million), which were denominated primarily in RMB and HK$.

As at 30 June 2025, the RMB-denominated and HK$-denominated bank borrowings accounted for approximately 100% (31 December 2024: 100%) and nil (31 December 2024: nil), respectively of the Group's total bank borrowings. Among the total bank borrowings as at 30 June 2025, a substantial portion of approximately 75.4% (31 December 2024: 70.5%) would be due within one year.

As at 30 June 2025, the Group's current ratio (being the ratio of total current assets to total current liabilities) was 1.4:1 (31 December 2024: 1.4:1).

As at 30 June 2025, the Group's gearing ratio (being the ratio of net debt divided by total equity) was 57.2% (31 December 2024: 52.3%).

In the first half of 2025, the Group's net cash generated from operating activities amounted to RMB1,531.0 million (in the first half of 2024: net cash used in operating activities of RMB1,019.9 million). In the first half of 2025, the Group's net cash used in investing activities amounted to RMB5,017.3 million (in the first half of 2024: net cash used in investing activities of RMB3,460.5 million). In the first half of 2025, the Group's net cash generated from financing activities amounted to RMB4,731.2 million (in the first half of 2024: net cash generated from financing activities of RMB2,115.9 million).

As at 30 June 2025, the Group had not used any financial instruments for hedging purposes (31 December 2024: nil).

PLEDGE OF ASSETS

As at 30 June 2025, the Group's total borrowings amounted to RMB71,415.1 million (31 December 2024: RMB60,568.5 million), of which RMB2,987.6 million (31 December 2024: RMB1,997.5 million) were secured and accounted for 4.2% (31 December 2024: 3.3%) of the total bank borrowings.

As at 30 June 2025, certain of the Group's trade and bills receivables with an aggregate net book value of RMB1,553.1 million (31 December 2024: RMB1,526.7 million) have been pledged as security.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no material contingent liabilities (31 December 2024: nil).

HUMAN RESOURCES

As at 30 June 2025, the Group employed around 86,000 staff in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market rate while performance bonuses are granted on a discretionary basis. Other employee benefits include, for example, medical insurance, training.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant subsequent events since the end of the Reporting Period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of RMB0.072 per share in cash for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB0.083). The interim dividend will be distributed on 31 October 2025 (Friday) to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company on 16 September 2025 (Tuesday), being the record date for determining Shareholders' entitlement to the interim dividend. The interim dividend will be payable in cash to each Shareholder in HK$ by default, converted at the exchange rate of RMB1.0: HK$1.0957, being the average benchmark exchange rate of RMB to HK$ as published by the People's Bank of China during the five business days immediately before 26 August 2025 (Tuesday), such dividend will be paid to Shareholders at HK$0.0789 per share. Shareholders will also be given the option to elect to receive all or part of the interim dividend in RMB. To make such election, Shareholders should complete the dividend currency election form which is expected to be despatched to Shareholders on or around 24 September 2025 (Wednesday), and lodge it with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 13 October 2025 (Monday).

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on 31 October 2025 (Friday) at the Shareholders' own risk. If no duly completed dividend currency election form in respect of the Shareholder is received by the Company's share registrar by 4:30 p.m. on 13 October 2025 (Monday), such Shareholder will automatically receive the interim dividend in HK$. All dividend payments in HK$ will be made in the usual way on 31 October 2025 (Friday). If Shareholders wish to receive the interim dividend in HK$ in the usual way, no additional action is required. Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 September 2025 (Monday) to 16 September 2025 (Tuesday), in order to determine the entitlement of the Shareholders to receive the interim dividend, during which no share transfers will be registered. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 12 September 2025 (Friday).

CORPORATE GOVERNANCE

The Group is committed to maintain high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the Reporting Period, save and except the following:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since the redesignation from the position of the Chief Executive Officer to the chairman of the Board, Mr. Bai Xiaosong has assumed the interim duties and responsibilities of the Chief Executive Officer. On 26 August 2025, Mr. Cheng Jie ("**Mr. Cheng**") was appointed as an executive Director and the president of the Company (the "**President**"), with the role of chief executive officer being performed by the President going forward. Following the appointment of Mr. Cheng as the President, the Company has complied with code provision C.2.1 of the CG Code.

In respect of code provision C.3.3 of the CG Code, the Company did not have formal letters of appointment for Directors. Since all Directors are subject to re-election by the Shareholders at the annual general meeting and at least once every three years on a rotation basis in accordance with the articles of association of the Company, there are sufficient measures to ensure the corporate governance of the Company complies with the same level to that required under the CG Code.

Code provision F.2.2 (re-numbered as code provision F.1.3 with effect from 1 July 2025) of the CG Code stipulates that the chairman of the Board should attend annual general meeting. The chairman of the Board was unable to attend the annual general meeting of the Company held on 23 May 2025 due to other business commitments.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period and up to the date of this announcement, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold treasury shares (as defined under the Listing Rules).

REVIEW OF INTERIM RESULTS BY KPMG

The interim financial information for the six months ended 30 June 2025 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be published by the Company.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025.

PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.crpharm.com), and the 2025 interim report containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to Shareholders who have indicated that they wish to receive a printed version of the corporate communication.

By order of the Board
China Resources Pharmaceutical Group Limited
Mr. Bai Xiaosong
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises Mr. Bai Xiaosong as chairman and executive Director, Mr. Cheng Jie and Mdm. Deng Rong as executive Directors, Mdm. Guo Wei, Mr. Sun Yongqiang, Mr. Wang Yuhang, Mr. Guo Chuan and Mdm. Jiao Ruifang as non-executive Directors and Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen as independent non-executive Directors.