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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)

ANNOUNCEMENT

**PRELIMINARY FINANCIAL INFORMATION OF KPC
FOR THE YEAR ENDED 31 DECEMBER 2025**

On 6 February 2026, KPC released its unaudited preliminary financial information for the year ended 31 December 2025.

KPC Pharmaceuticals, Inc (昆藥集團股份有限公司) (“**KPC**”) is a company incorporated in the People’s Republic of China. The shares of KPC are listed on the Shanghai Stock Exchange. As of the date of this announcement, KPC is owned as to approximately 28.05% equity interest by China Resources Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), through its non-wholly owned subsidiary, China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (華潤三九醫藥股份有限公司) (“**CR Sanjiu**”), and is a subsidiary of the Company.

On 6 February 2026, KPC released its unaudited preliminary financial information for the year ended 31 December 2025 (the “**Reporting Period**”) (the “**KPC Preliminary Financial Information**”). Set out below are the key financial information of the KPC Preliminary Financial Information:

I. MAJOR FINANCIAL INFORMATION AND INDICATORS FOR THE YEAR OF 2025 (UNAUDITED)

Unit: RMB ten thousand

Item	The Reporting Period	The corresponding period of previous year	Increase/decrease (%)
Total operating revenue	657,666.41	840,144.72	-21.72%
Operating profit	44,850.80	92,754.66	-51.65%
Total profit	47,355.78	93,457.02	-49.33%
Net profit attributable to the shareholders of the listed company	34,994.08	64,808.13	-46.00%
Net profit attributable to the shareholders of the listed company (excluding non-recurring gains or losses)	10,711.01	41,920.61	-74.45%
Basic earnings per share (<i>RMB</i>)	0.46	0.86	-46.51%
Weighted average return on net asset (%)	6.58%	9.52%	Lower by 2.94%

Item	As of the end of the Reporting Period	As of the beginning of the Reporting Period	Increase/decrease (%)
Total assets	1,177,356.44	1,261,136.71	-6.64%
Equity attributable to the shareholders of the listed company	536,225.96	525,364.85	2.07%
Share capital	75,697.58	75,697.58	0.00%
Net assets per share attributable to the shareholders of the listed company (<i>RMB</i>)	7.08	6.94	2.02%

Notes:

- (1) The information as of the beginning of the Reporting Period is the same as those as of the end of the previous year disclosed pursuant to applicable laws and regulations.
- (2) The above information is based on information from unaudited consolidated financial statements. The financial information set out in the 2025 annual report to be published by KPC shall prevail.

II. DETAILS OF OPERATING RESULTS AND FINANCIAL POSITIONS

In 2025, KPC had been in a key stage with complex changes in the external environment and deepened reforms in its internal model, where multiple factors resulted in a periodic impact on its performance. Implementation of centralized procurement of proprietary Chinese medicines not progressing as expected, continued deepening of the medical insurance fee control policy, and KPC's current in-hospital business being under certain pressure, while its incremental business still being in an admittance and growth period, had directly impacted its in-hospital business income. At the same time, retail terminals had been significantly impacted by industry fluctuations, affected by factors such as periodic consumer flow fluctuations, intensified industry competition, and slow-down in the pace of dynamic sales, while certain products in KPC's high-quality Sinopharm sector are still in the channel expansion stage. In addition, KPC's ongoing internal channel and model reform, and continuous strategic investment in brand building and market expansion, has further intensified performance pressure in the short term.

Affected by the aforementioned multiple factors, the scale of KPC's product sales and gross profit margin have declined year-on-year, with an expected cumulative operating revenue of RMB6,577 million, representing a 21.72% year-on-year decrease, and an expected net profit attributable to the parent company of RMB350 million, representing a 46% year-on-year decrease. KPC's non-recurring gain or loss is expected to be RMB243 million, representing a 6.1% year-on-year increase, mainly due to Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司), an associate of KPC, listing on The Stock Exchange of Hong Kong Limited, driving a significant year-on-year increase in the gain or loss on changes in fair value of related financial assets and investment income, with an expected amount RMB119 million. In addition, government subsidy accounted for in the gain or loss of the Reporting Period was approximately RMB70 million, representing a 24.15% year-on-year decrease. With the year-on-year decrease in net profit attributable to the parent company, and the year-on-year increase of non-recurring gain or loss, the year-on-year decrease of the net profit attributable to the parent company after deducting non-recurring gain or loss has accordingly expanded.

In 2026, the trend of adjustments in the pharmaceutical industry is expected to continue, and KPC's internal transition and reform will also enter a key stage of overcoming difficulties. KPC will rely on the strategic layout of CR Sanjiu's "one body and two wings", closely focus on the strategic positioning of "silver health industry leader", actively respond to silver economic policies and market demand, and continue to cultivate the field of aging health. By deepening intensive channel cultivation and brand upgrading, KPC will continuously improve its terminal sales capacity. KPC will also implement multiple measures to systematically promote reduction in costs and increase in efficiency, and improve the level of lean operation and control. In addition, KPC will further deepen the strategic synergy with CR Sanjiu, enrich its product matrix, strengthen category linkage, and leveraging its advantage in brand, channel and operation resources, it will empower the development of its out-of-hospital retail business and facilitate a steady return of its performance to a healthy and sustainable development track.

The KPC Preliminary Financial Information have been prepared in accordance with the PRC Generally Accepted Accounting Principles and are unaudited. The final audited results for the Reporting Period to be disclosed by KPC in its 2025 annual report shall prevail.

The financial information is limited to KPC only and does not represent or provide a complete view of the operational or financial status of the Group. **Shareholders and potential investors should exercise caution when dealing in securities of the Company and should not rely solely on such information.**

For further details of the KPC audited annual financial results of KPC, please refer to the annual report for the year ended 31 December 2025 to be published by KPC on the website of the Shanghai Stock Exchange (www.sse.com.cn).

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

PRC, 6 February 2026

As at the date of this announcement, the Board comprises Mr. Bai Xiaosong as chairman and executive Director, Mr. Cheng Jie and Mr. Liu Changan 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.