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 SIX MONTHS ENDED 30 JUNE 2026

On 14 July 2026, KPC released its unaudited preliminary financial information for the six months ended 30 June 2026.

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 29.08% 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 14 July 2026, KPC released its unaudited preliminary financial information for the six months ended 30 June 2026 (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 SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

Based on preliminary calculations by KPC's finance department, (i) the net profit attributable to shareholders of the listed company for the Reporting Period is expected to be between RMB-400 million and RMB-330 million, representing a decrease of 302% to 266% compared to the same period of the prior year, and a loss will occur; and (ii) the net profit attributable to shareholders of the listed company (excluding non-recurring gains or losses) for the Reporting Period is expected to be between RMB-430 million and RMB-350 million, representing a decrease of 385% to 332% compared to the same period of the prior year. The above information is based on preliminary calculations by KPC's finance department and have not been audited. The financial information set out in the 2026 interim report to be published by KPC shall prevail.

KPC's key operating data for the six months ended 30 June 2025 are as follows: (i) total profit: RMB298.9403 million; (ii) net profit attributable to shareholders of the listed company: RMB198.3552 million; (iii) net profit attributable to shareholders of the listed company (excluding non-recurring gains or losses): RMB151.1015 million; and (iv) earnings per share: RMB0.26 per share.

II. DETAILS OF OPERATING RESULTS AND FINANCIAL POSITIONS

In the first half of 2026, KPC's overall operating performance declined significantly due to the combined impact of continued tightening of pharmaceutical industry policies and a profound adjustment of market conditions, compounded by KPC's own channel structure optimisation and business model transformation being at a critical stage. From an external environment perspective, the scope of centralised procurement of traditional Chinese medicine products continued to expand and medical insurance cost-containment policies deepened further, constraining the pace of volume growth and price headroom for in-hospital terminal products; meanwhile, the competitive landscape for out-of-hospital retail terminals accelerated its restructuring, with structural changes such as the exit of small and medium-sized stores and the diversion of sales to online instant-retail platforms continuing to exert sustained pressure on traditional channels. From an internal operations perspective, KPC actively optimised channel inventories and controlled shipment pacing, and simultaneously advanced reforms to its marketing model, integrated and streamlined its marketing team, and focused on improving end-consumer sell-through and reshaping the value chain. Faced with a rapidly changing external environment, although KPC had already taken proactive countermeasures, certain deviations remained in the precision and intensity of operational adjustments, strategic investments had not yet been fully converted into incremental revenue, and the pace of overall operational improvement fell short of expectations. Under the compounding interaction of the above multiple internal and external factors, KPC recorded a loss during the reporting period.

Facing these phased operational pressures, KPC is accelerating the adjustment of its channel operating system, strengthening end-consumer sell-through management, optimising shipment pacing, and systematically digesting channel inventories in an orderly manner. At the same time, maintaining strategic resolve, it continues to advance business transformation with a focus on converting brand operations into effective end-consumer sell-through results, stepping up clinical and academic research efforts on key products such as the Xuesaitong (血塞通) series to consolidate the value barriers of core products, and systematically and routinely pursuing cost reduction and efficiency improvement to continuously enhance operational efficiency and risk management standards, providing a solid foundation for KPC's stable operations.

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 2026 interim 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 interim financial results of KPC, please refer to the interim report for the six months ended 30 June 2026 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, 14 July 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, Mdm. Zhang Jing 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.