



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

(Stock Code 股份代號: 3320)

2022 Annual Results Briefing

March 2023



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FINANCIAL RESULTS AND BUSINESS UPDATES

2

DEVELOPMENT STRATEGIES

3

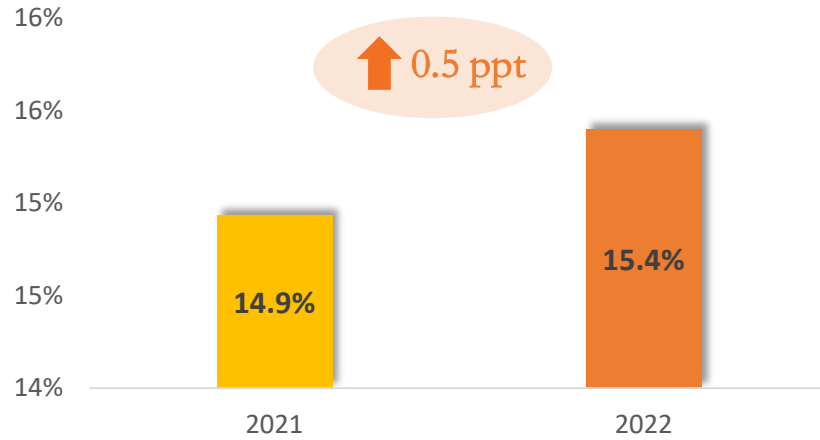
APPENDIXES

Core financial indicators

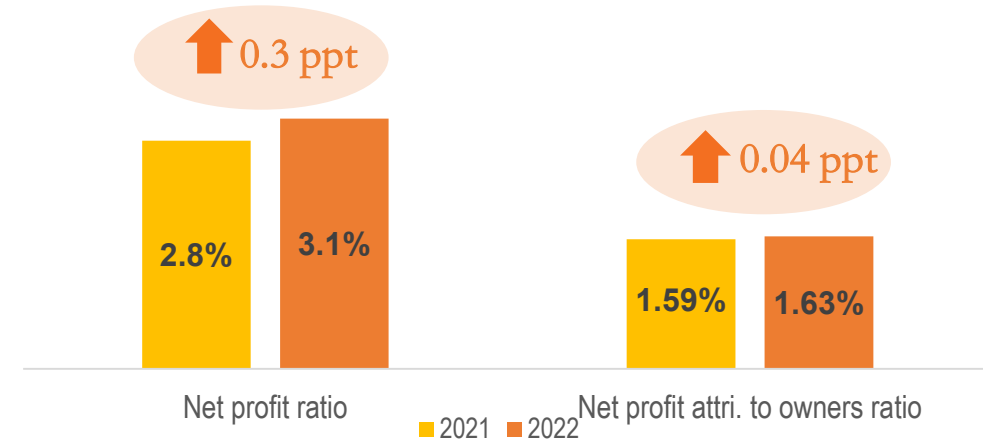
HK\$ million	2021	2022	YoY growth (in HK\$)	YoY growth (in RMB)
Revenue	236,806	254,106	7.3%	10.8%
Gross profit	35,380	39,135	10.6%	14.2%
Net profit	6,647	7,843	18.0%	20.4%
Net profit attributable to the owners of the parent company	3,769	4,147	10.0%	11.7%
Earnings per share (HK\$)	0.60	0.66		

Profit margin and operating cash flow

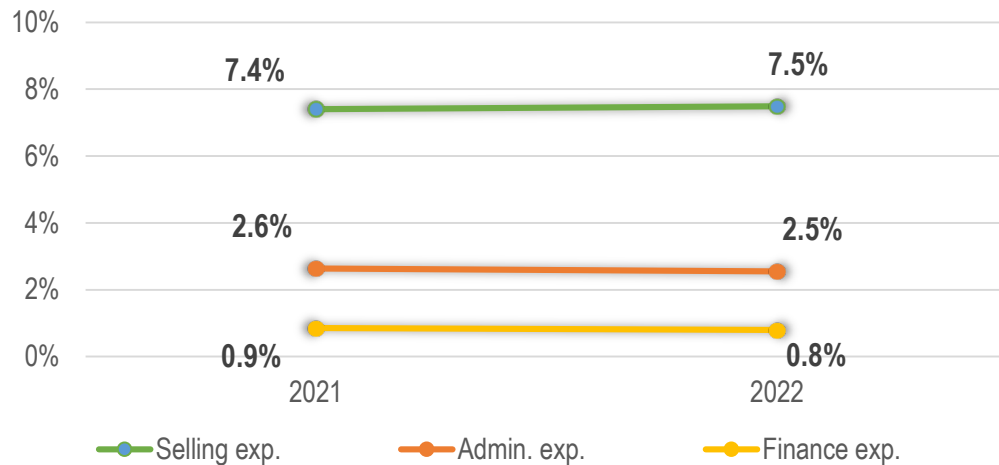
GP Margin



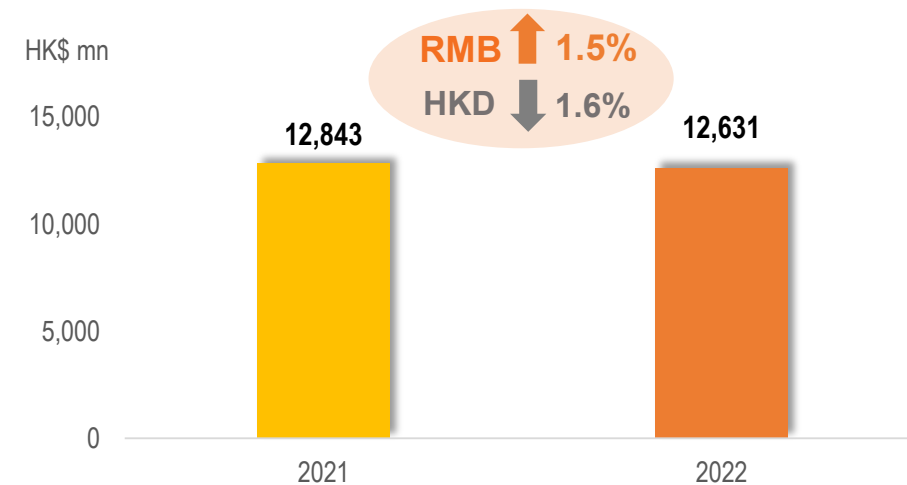
Net Profit Ratio



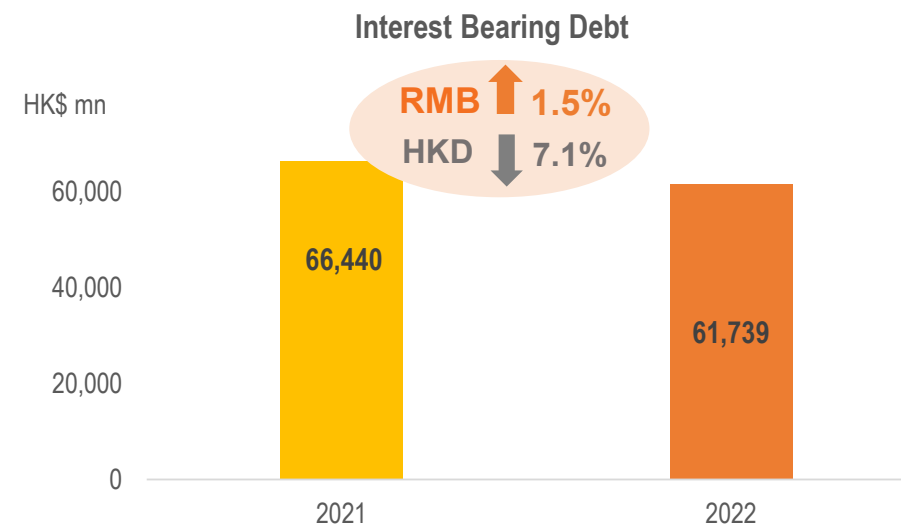
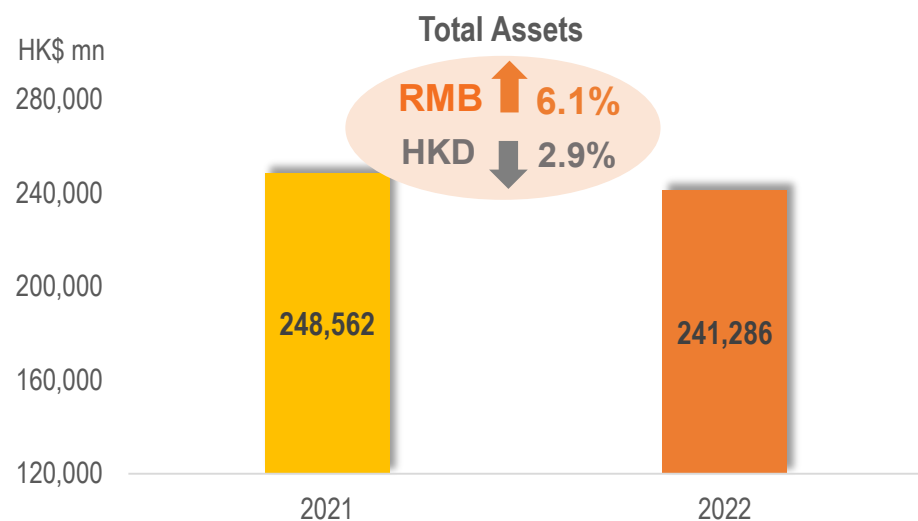
Operating Expense Ratios



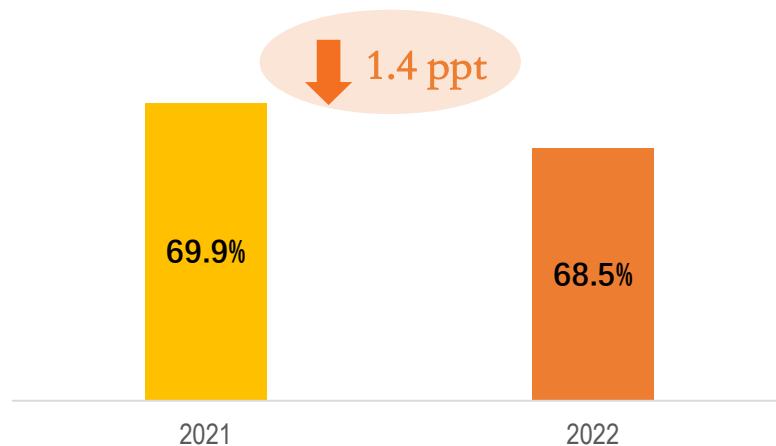
Net Cash from Operating Activities



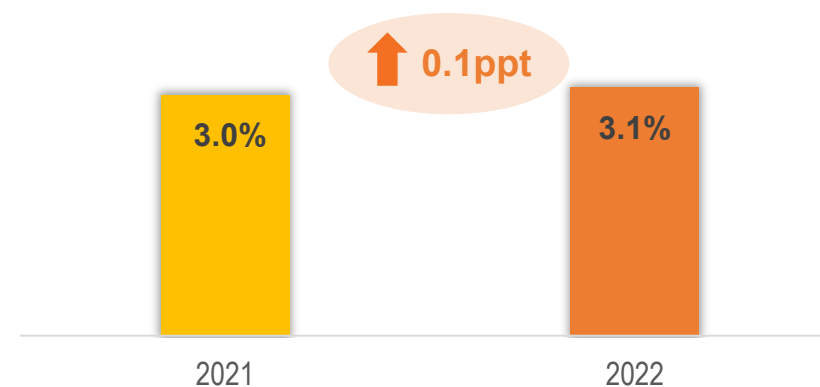
Debt ratio and average financing cost



Interest Bearing Debt / Total Equity

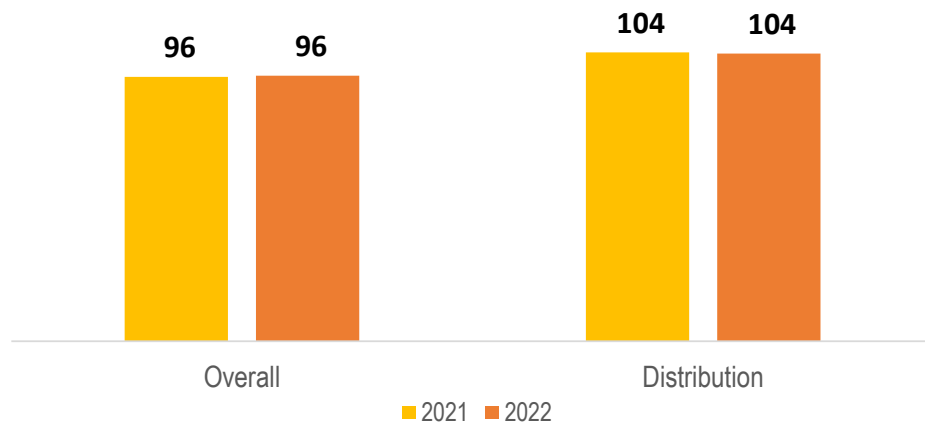


Effective Interest Rate

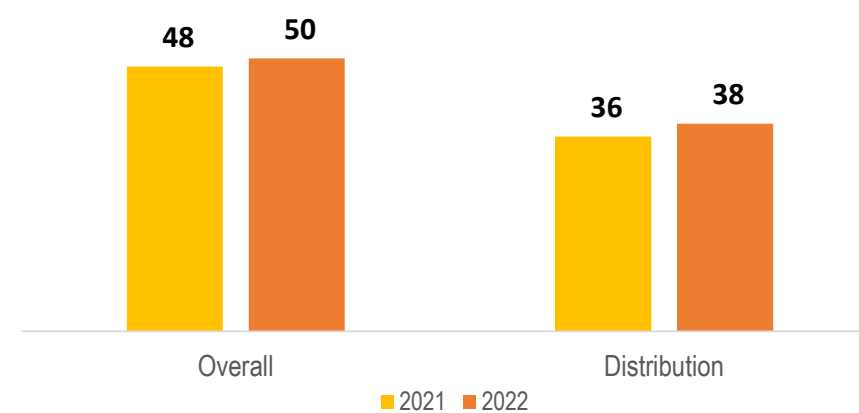


Working capital turnover

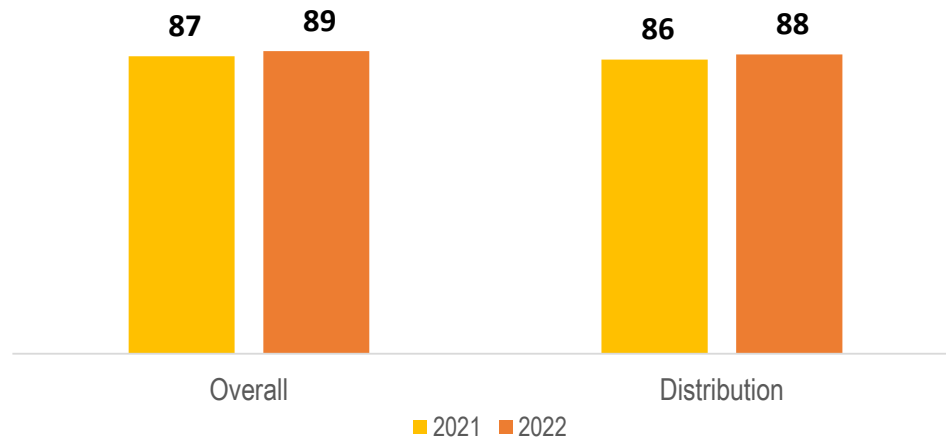
Trade Receivable Turnover Days



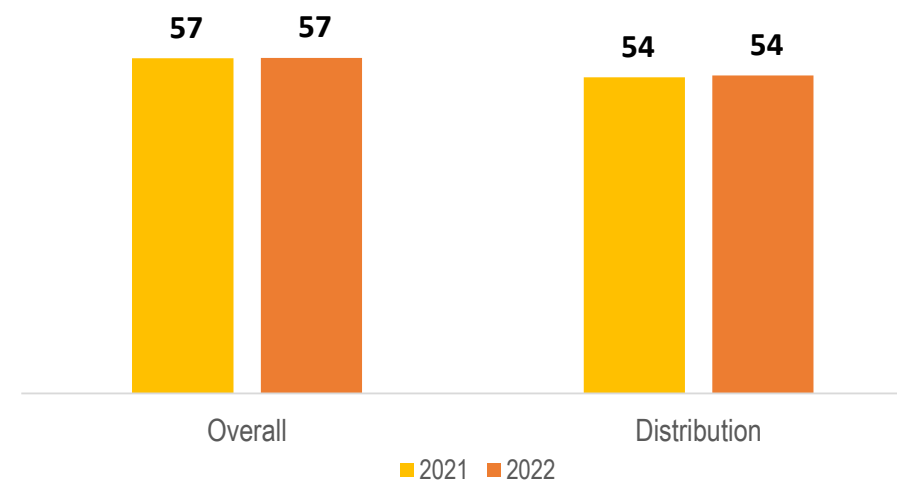
Inventory Turnover Days

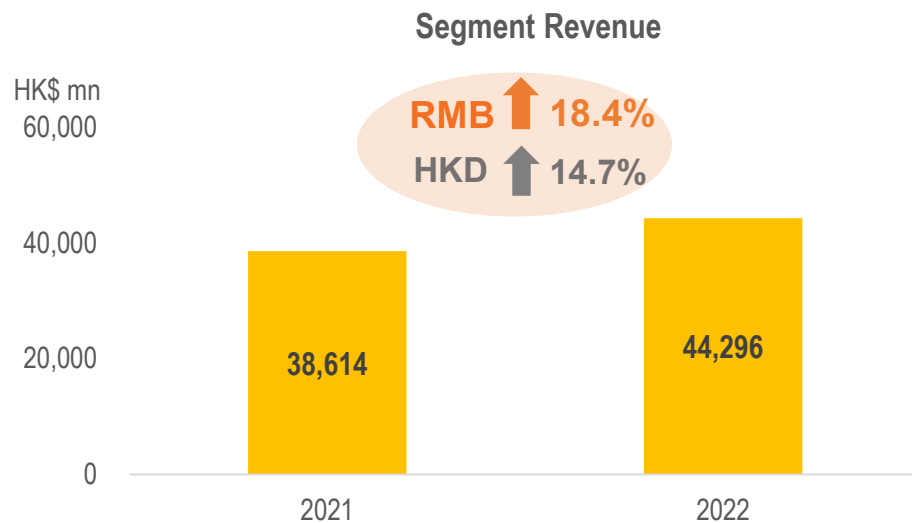


Trade Payable Turnover Days

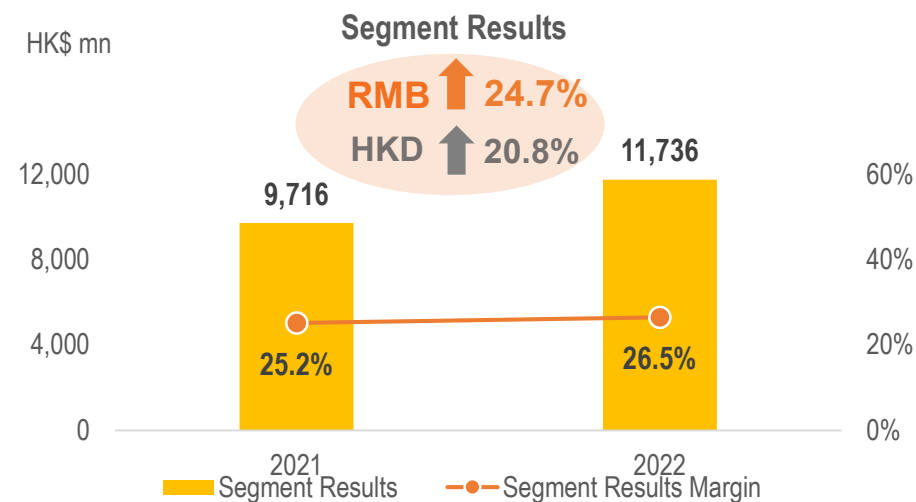
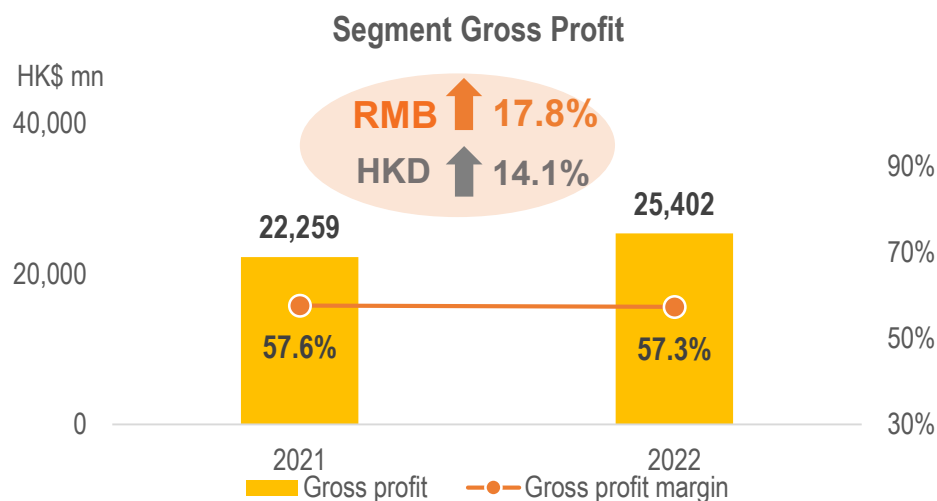


Cash Conversion Cycle





- Segment revenue was HK\$44.30 billion in 2022, representing a YoY growth of 14.7%, and the biopharma, TCM and chemical drugs businesses saw increases in revenue
- Gross profit and segment results of the pharmaceutical manufacturing segment increased by 14.1% and 20.8%, respectively. GP Margin was 57.3%, down by 0.3ppt slightly YoY
- There are comprehensive portfolio of pharmaceutical products with the wide coverage of therapeutic areas with 626 products in production, of which 342 products included in National Reimbursement Drug List and 152 products in National Essential Drug List



CR Sanjiu acquired KPC Group

- In May 2022, CR Pharma, CR Sanjiu and Holley Pharmaceutical signed a strategic cooperation agreement and a share purchase agreement respectively, **pursuant to which CR Sanjiu announced that it intended to purchase 28% shares in KPC Group**. In January 2023, CR Sanjiu completed the acquisition
- Both parties will realize the organic combination of the upstream supply chain, marketing platform, sales channel and other advantages, and collaborate to build the brand of “Kun TCM 1381 (昆中藥1381)”, thereby **promoting the development of the pseudo-ginseng industry chain** by centering on the collaborative planning

CR Double-Crane held the controlling interest of Tiandong Pharma

- In September 2022, **CR Double-Crane completed the acquisition of equity interest in Tiandong Pharma held by CR Pharma Industry Fund**, after which CR Double-Crane held 70% of the shares of Tiandong Pharma
- Such equity acquisition will help CR Double-Crane further enhance the in-depth **resource integration** of Tiandong Pharma and also fully reflects that CR Pharma Industry Fund will help the Group improve its business layout and realize synergistic value with existing business

Business and resource integration of CR Boya Bio-pharma

- In November 2021, CR Pharma became the controlling shareholder of CR Boya Bio-pharma and positioned it as the **blood product business platform**
- **The intelligent factory for blood product** laid the foundation, with a designed capacity of 1,800 tons/year of plasma for the 1st phase. **Human Coagulation Factor VIII** obtained approval for production. The expansion of plasma collection station has been comprehensively promoted, and a number of county and municipal approvals were obtained
- In 2022, CR Boya Bio-pharma recorded an increase of 25% in its **net profit attributable to the parent company**



CR Double-Crane acquired Shenzhou Biology & Technology

- In August 2022, **CR Double-Crane acquired 50.11% equity interest in Shenzhou Biology & Technology**, a high-tech company mainly engaging in R&D, production and sales of biological fermentation products
- CR Pharma **rapidly enters the field of biological fermentation**, develops new biological fermentation technology platform, enriching its product mix. Besides, it will also help CR Double-Crane implement the integration strategy of raw materials and preparations

Joint strategic participation in Yibao Tech

- In November 2022, CR Pharma, jointly with CR Sanjiu and CR Pharma Commercial, **strategically invested in Yibao Tech** by way of capital increase, after which they **held an aggregate of approximately 10% equity interest collectively**
- With Yibao Tech's **urban customized commercial health insurance platform**, CR Pharma will link the product end and the payment end, enhance the coverage of out-of-hospital sales channels, and reduce payment pressure of patients

Channel integration with Haisi Pharma

- In September 2021, **CR Jiangzhong acquired 51% equity interest of Haisi Pharma**
- Haisi Pharma's core product, **BIFIDO**, **succeeded in the bid for centralized procurement in Guangdong Alliance**. CR Jiangzhong actively promoted channel integration with Haisi Pharma, and **introduced BIFIDO in existing OTC retail channels**. And through lean management, it achieved cost saving
- In 2022, Haisi Pharma **realized a relatively rapid growth in net profit**

Systematically upgrade the whole industry chain of TCM, and consolidate the leading position in CHC industry



Promote the management of the whole value chain of TCM

- CR Sanjiu, CR Jiangzhong and Dong-E-E-Jiao were recognized among **the first batch of “TCM High Quality Development Promotion Community Member Units”**
- **CR Sanjiu:** Attaching great importance to the upstream raw material resources, CR Sanjiu **established genuine medicinal materials and fresh-processing bases**; accelerated the construction of TCM industry clusters and built **a benchmark demonstration of TCM manufacturing**; integrated consumer data and clinical evidence-based medical research in the downstream to optimize the industrial chain
- **CR Jiangzhong:** CR Jiangzhong has been building its **core competitiveness in the gastrointestinal field** in the sector of TCM. It established a price and flow monitoring system for TCM materials and promoted the construction of a standardized base for TCM materials with a focus on the vital raw material, Radix Pseudostellariae; joined the collaborative development alliance of the TCM whole industry chain in Hunan, Jiangxi, Guangdong-Hong Kong-Macao area
- **Dong-E-E-Jiao:** Dong-E-E-Jiao led in framing E-Jiao industry standards. In terms of upstream, it continued to expand its **control at source** through implementation of quality management standards for TCM materials in a comprehensive manner, in order to monitor the quality of raw materials at source and enhanced the **whole process of quality control** from medicinal materials to preparations.

- CR Pharma is the **industry leader in China’s CHC market**, and **its brands and products are well recognized by the market**. In 2022, its revenue in the field of CHC amounted to HK\$20.66 billion, representing YoY increase of 23.5%, which further consolidated its competitive advantage in the industry
- **CR Sanjiu** has won **the first place** for consecutive years in a **comprehensive ranking of China’s OTC manufacturers**. CR Pharma’s several CHC products were listed in the **“2022 Healthcare Brands List”** and **“2022 Valuable Healthcare Brands”** at the 15th China Pharmaceutical Enterprises Cooperation and Development Organization, ranking the top among peers
- **Continuously accelerating the launch of new products and external cooperation:** CR Sanjiu has launched 999 Wenweishu Granule with Low Sugar (999溫胃舒低糖裝) particularly for females and released new products in pediatrics and comprehensive health. CR Jiangzhong released many new products in the field of big health. Dong-E-E-Jiao further explored traditional nutrition products



Consolidate its competitive advantage in CHC industry

Optimize innovation business layout and expand international markets

CR Double-Crane built an innovative technology platform

- In 2022, 16 products of chemical biological drugs were approved for production
- **Perflutren Lipid Microsphere Injection** was approved for production, which is the first time that a product of this type approved in domestic market
- **Milrinone injection** was registered as a Class 3 chemical drug, which enriched the product mix in the cardiovascular and cerebrovascular (critical care) field
- Class 2 new drug **Mitoxantrone Hydrochloride Injection** for tracking purposes was approved for new indications
- **Human Coagulation Factor VIII** approved for production, improving the utilization rate of raw material plasma

Improved the presence in biological drug sector

- Set up international sales teams to expand the international market. **In 2022, the export sales of the pharmaceutical segment reached almost HK\$1 billion**
- CR Boya Bio-pharma achieved a milestone in international product certification
- Tiandong Pharma under CR Double-Crane has completed registration in 48 countries. For the newly acquired company Shenzhou Biology's main product, Coenzyme Q10 API, over 90% of the revenue came from export sales

- Developed **platforms for anti-tumor and anti-virus** with independent intellectual property rights
- DC05F01, introduced from a U.S. company Novita, is expected to be **the first FIC new drug specializing in the treatment of tumor metastasis globally** with the stage I clinical trial completed in China
- Obtained the exclusive rights to develop, manufacture and commercialize the **oral RdRp inhibitor drug candidate** LGN-20 named CX2101A in major Asian regions (except for Israel, Russia, Turkey), with stage I clinical trial launched in China. Leveraging on the cooperation, CR Double-Crane shall access the **BEPro prodrug technology**

Accelerated launching of new chemical and bio-pharma drugs

- At the end of 2022, CR Pharma's biopharmaceutical sector has **a total of 10 products in production**
- CR Biopharma and Nuance Biomedical reached an exclusive cooperation on the cooperative product development of the world's first **precision targeting and holistic immunity start-up project**
- CR Biopharma entered into a collaboration agreement with Immvira Pharma to acquire exclusive co-development rights in Greater China for the **pioneer lytic virus products for curing central nervous system tumors**

Integrated resources to explore international markets

Improve R&D and innovation capability and enrich product pipelines

Consistently increased the investment in R&D

- The total R&D expenditure in 2022 amounted to approximately HK\$2.55 billion, representing an increase of 22.9% YoY
- As at the end of 2022, the Group had **approximately 300 ongoing new product R&D projects**, including around 100 new drug projects, with a R&D team comprising over 2,300 members; **38 biological drug projects under development**, 20 of which were new biological drugs focusing on anti-tumor, immunity, endocrine and other therapeutic fields
- In 2022, a total of 5 products were approved for clinical trials, 16 products were approved for production, and 13 products passed the consistency evaluation

Class 1 innovative drug R&D achieved milestones

- **Jiangshi granule, a Class 1 innovative TCM drug**, approved for clinical trials for the treatment of irritable bowel syndrome with spleen and stomach weakness
- **NIP003**, a novel FXIa inhibitor with global intellectual property rights **for the prevention of arteriovenous thrombosis**, started Phase I clinical trial. **NIP001, a Class 1 new drug in blood field**, approved for clinical trials for the treatment of renal anemia. **NIP292, which treats idiopathic pulmonary fibrosis**, is the second oral ROCK inhibitor to enter clinical research globally, and has completed Phase I clinical MAD. **NIP046 is designed for a variety of autoimmune diseases**, ranking at the first echelon in R&D progress of similar targets in China, and has completed Phase I clinical MAD. **NIP142, which is used to treat mutant non-small cell lung cancer**, has started Phase I clinical trial

Developed differentiated R&D platforms

- **National Institute of Pharm R&D** was selected as one of the “Small Giant” enterprises with specialized, sophisticated techniques and unique, novel products in Beijing. **Tiandong Pharma** was included in the first batch of Small Giant high-tech enterprises in Shandong Province
- **Shenzhen R&D Center is in sound operation. The bio-innovative drugs platform** is mainly dedicated to new drugs design of monoclonal antibodies, double antibodies, nanobodies and polypeptide drugs empowered by AI technology, and has completed seven R&D projects of new biological products throughout the year. **The chemical innovative drugs R&D platform** focuses on novel targets for tumor, autoimmunity and other major diseases

Innovated R&D modes for external cooperation

- **5 joint innovation centers established with national innovation platforms** such as the National Clinical Medical Research Center for Cardiovascular Diseases, the National Clinical Medical Center for Infectious Diseases, and the National Engineering Research Center for Cell Growth Factor and Protein Drugs. The **CR Sanjiu — Shenzhen Bay Laboratory Joint Research Center** was inaugurated
- CR Jiangzhong launched a joint study on **anti-Alzheimer’s Disease candidate innovative drug** with Jinan University and Institute of Material Medical Chinese Academy of Medical Science. CR Zizhu introduced an **anti-tumor Class 2 innovative for reproductive health**. A number of projects under development licensed-in by CR Sanjiu progressed smoothly. **QBH-196, a new Class I small-molecule targeted anti-tumor drug** is in Phase I clinical dose-escalation study



Constant-upgrading of intelligent manufacturing

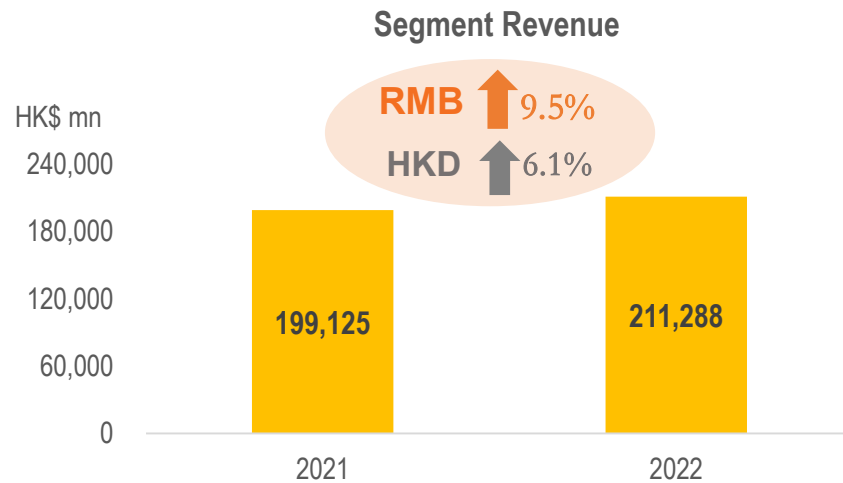


- **CR Sanjiu:** Became the first enterprise in the pharmaceutical industry to pass the “Level 4 Maturity Assessment Intelligent Manufacturing Capability” of MIIT. Several subsidiaries of CR Sanjiu were selected as “Outstanding Scenarios of Intelligent Manufacturing 2022” by MIIT
- **CR Double-Crane:** The industrial park division was selected as one of the “Outstanding Scenarios of Intelligent Manufacturing Demonstration Factory 2022”, jointly announced by MIIT and other departments
- **CR Jiangzhong:** TCM Science and Technology Innovation City project with the foresight planning of intelligent manufacturing is expected to start operation in 2023
- **Dong-E-E-Jiao:** Realized online visual inspection through AI technology, achieving an increase of 40% in labor efficiency
- **CR Boya Biopharma:** The blood product intelligent factory has laid the foundation
- **CR Biopharma:** The industrial park built biological drug production lines with automated equipment and intelligent key production steps. The pilot workshop has been put into operation

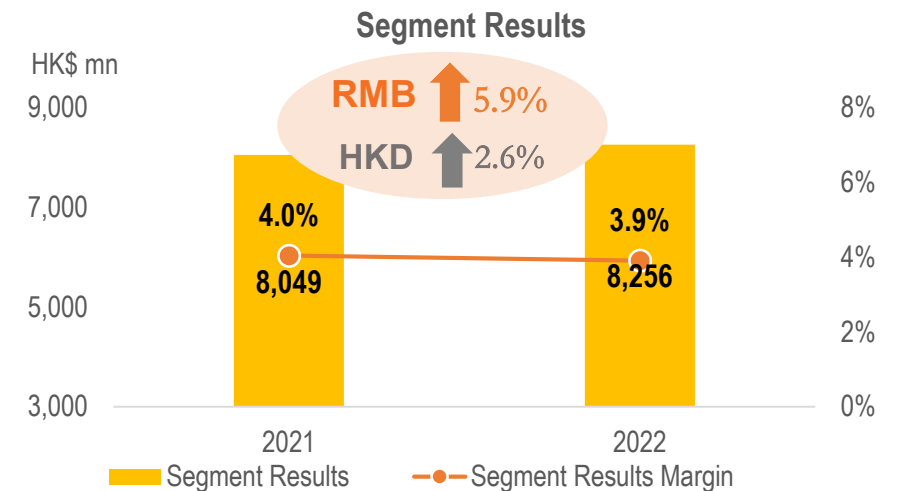
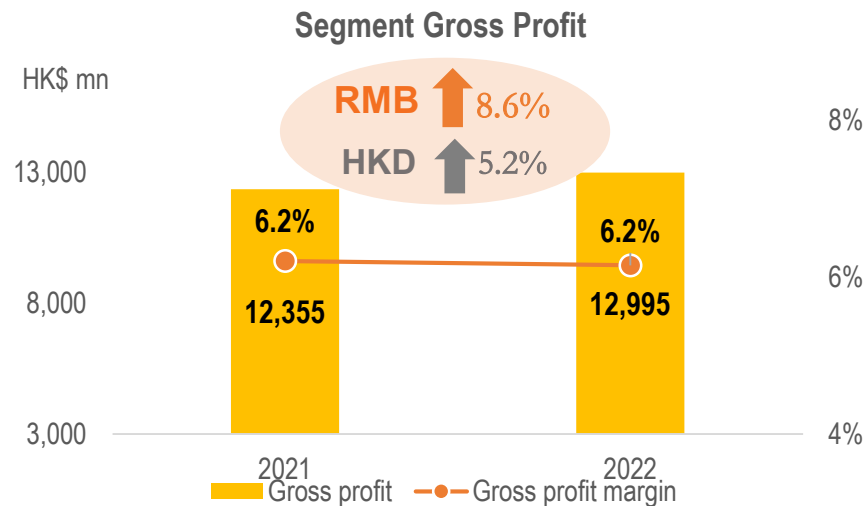
Rapid development of online marketing



- Continuously improved the digitalization construction in the processes of marketing and sales. The revenue from online sales increased 44% YoY in 2022
- **CR Sanjiu:** Built a professional new media operation team, leveraging on which, the sales of online B2C business had surpassed 4% in its CHC business sales
- **CR Double-Crane:** In terms of academic promotion, combined both online and offline channels and launched online health care channel
- **CR Jiangzhong:** Engaged in multi-channels for its online marketing. The online sales of Lacidophilin Tablets reached a YoY increase of 168%
- **Dong-E-E-Jiao:** Made precision marketing through clarifying its target consumers online and recorded a YoY increase of 12% in the “Double Eleven” event in terms of sales
- **CR Zizhu:** Sales volume of Yuting/Jinyuting products held a resilient lead in O2O market for oral contraceptives with online sales increasing by 36% YoY



- In 2022, recorded segment revenue of HK\$211.29 billion, representing a YoY growth of 6.1%; segment gross profit of HK\$13.0 billion, representing a YoY growth of 5.2%; GP Margin of 6.2%, remaining a YoY flat
- Pharmaceutical distribution network covered 28 provinces across the country with approximately 150,000 clients, including over 9,500 second-and-third-class hospitals. Continued to explore the out-of-hospital market, and achieved a 17% YoY growth in revenue from out-of-hospital sales
- Built logistics visualization center, and strengthened the construction of a specialised, large-scale and standardized modern logistics system, with over 200 logistics centers, achieving third-party logistics revenue of approximately HK\$400 million in 2022





The medical device distribution business expanded rapidly

In 2022, the medical device distribution business expanded rapidly and **recorded revenue of HK\$35.4 billion, representing a YoY increase of over 35%**, reflected by the rapid growth of IVD diagnostic reagents, orthopedics and interventional supplies business in revenue



Built specialized capability in various business segments

- Strengthened the specialized capability and actively established a professional distribution network across the country. Set up **30 independent medical equipment companies** covering 29 provinces, and established business relationships with more than 3,000 upstream medical equipment manufacturers and 20,000 downstream hospitals
- **As for orthopedics business, established a nationwide supply chain and service integrated platform**, and set up 71 sub-warehouses. **Established 7 professional IVD inspection companies**, making a layout of the whole-link capability from product R&D to inspection and application



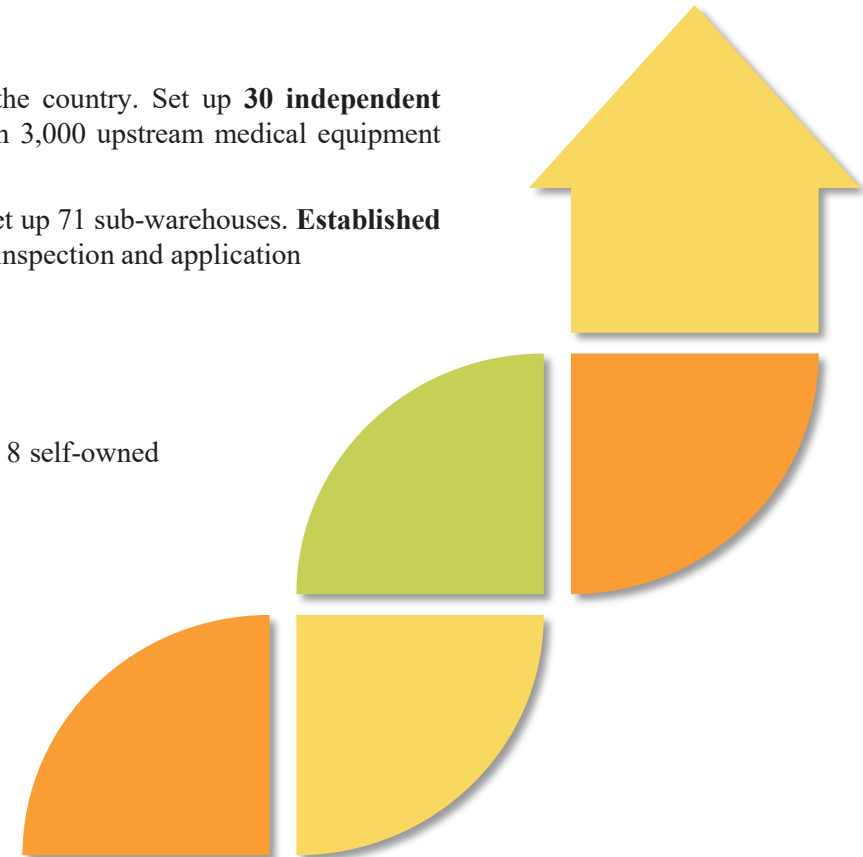
Accelerated product introduction and industrial chain extension

- In 2022, serve another more than 20 manufactures as the general agency
- **Built the self-owned brands** through franchise or registration, concluded 18 franchised products, and obtained 8 self-owned product registration certificates

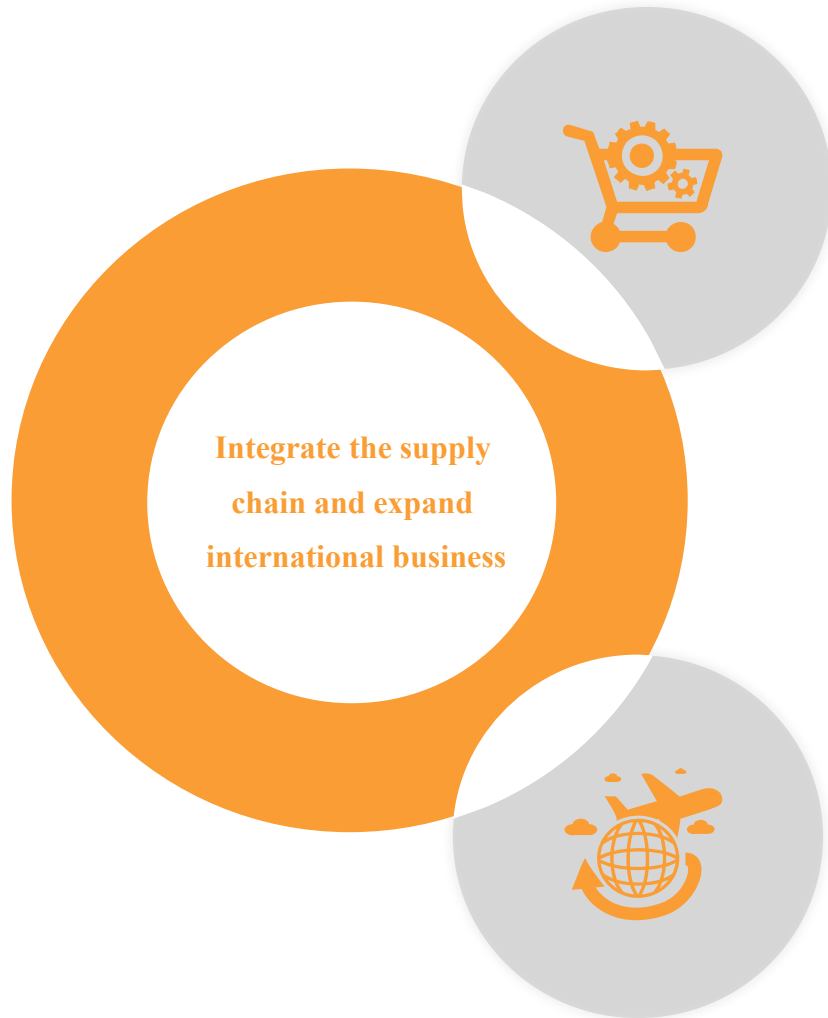


Further enhanced its innovative service capability

- Added **50 innovative projects including SPD projects**, and has more than 120 SPD and centralized distribution innovative projects now
- Established a **professional SPD company**, developed self-owned SPD service software and launched a new **regional comprehensive inspection center project**



Strengthen the integrated supply chain management and promote international business development



Obtain upstream resources and continuously optimize product structure

- In 2022, gained multi-channel marketing rights for 24 significant products, with **an acquisition rate of 97% of the key innovative drugs newly approved for marketing and commercialization**
- **Actively participated in GPO and** conducted integrated and classified acquisition of GPO products, and the average regional product acquisition rate reached 81% during the sixth batch of GPO for insulin
- Strengthened **the development of the out-of-hospital supply chain system** to build them self-owned “Runyao” brand, and introduced more than 70 exclusive distribution/product specifications in 2022
- Expanded the **primary chronic disease market** and acquired exclusive marketing rights for insulin products of Sanofi and Novo Nordisk across several provinces

Strengthen port construction and expand import/export business

- Strengthened the port construction, optimized the resource coordination and advantage complementation between various ports, and actively expanded the international business
- Through the “multiport, one-stop” (多口岸、一站式) service model, improved the imported product acquisition capability and achieved **import products sales of around HK\$15.3 billion, with 14 imported products newly added**
- Explored the export of **comprehensive health products** such as TCM materials, and realized the export sales of approximately HK\$900 million
- Overseas innovative drugs were imported based on the policy advantage of the **medical treatment forerunner model area** in the Greater Bay Area, Hainan Lecheng and Tianjin Free Trade Area

Innovate business models and digital value-added services



Center of Excellence

Connected the value chain through innovative services of special disease centers, **and concluded 56 specialist disease centers** covering key fields including departments of thoracic surgery, medical oncology, rheumatology and immunology, hematology and neurology

Contract Sales Organization (CSO)

Operated **more than 80 CSO projects** including the Sanofi Depakine project, involving over 80 upstream enterprises. **In 2022, CSO sales revenue exceeded HK\$900 million** with a YoY increase of approximately 140%

C+ Digital Pharma

Signed contracts with 5 hospitals on science and innovation centers to increase customer stickiness through innovative cooperation models such as “joint discipline building” and “agent construction and operation”, and formed data assets by reaching doctors and patients through **“Run Xiaoyi (润小医)”**, a **centralized digital platform for special/rare diseases**

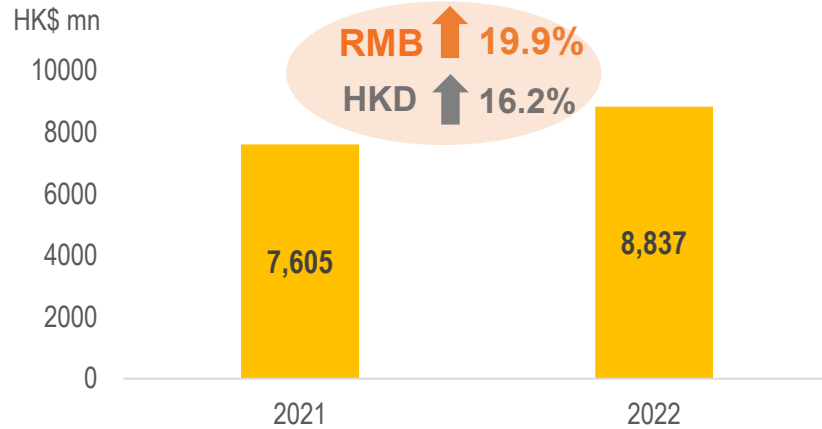
Commercial Insurance Payment

Cooperated with different upstream manufacturers to explore **innovative commercial insurance payment models for high-end specialty drugs**, and launched commercial insurance projects such as “Meirun Care” and “Purun Care”

B2B online platform CR Pharma e-Store

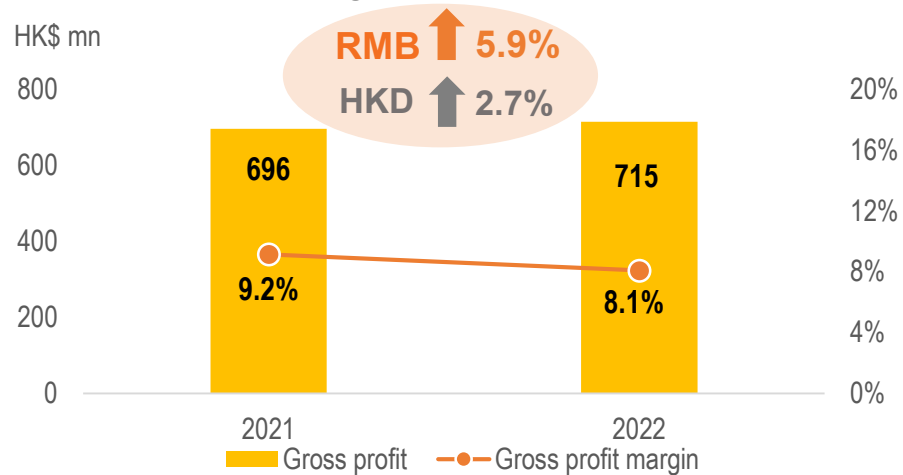
The B2B online platform “CR Pharma e-Store” implemented a nationwide integrated operation model covering 24 provinces, recorded a **transaction amount of approximately HK\$35.3 billion in 2022** with accumulated 59,000 active customers and 1.84 million orders

Segment Revenue

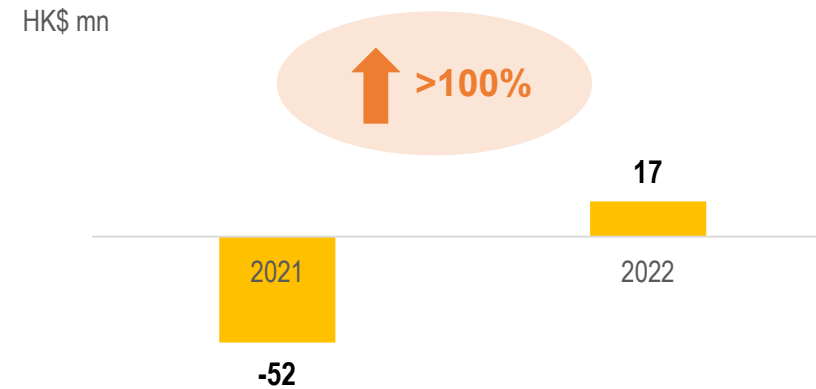


- In 2022, the retail segment recorded revenue of HK\$8.84 billion, representing a YoY growth of 16.2%, mainly due to increased sales of anti-epidemic products; the segment GP Margin was 8.1%, down 1.1 ppt YoY, mainly due to changes in product structure
- The revenue of DTP business reached HK\$5.9 billion, representing a YoY growth of 14%, accounting for 67% of the retail segment's revenue
- By the end of 2022, there are a total of 793 retail pharmacies, including 228 DTP pharmacies

Segment Gross Profit



Segment Results





Build high-quality professional pharmacies

- **Introduced 7 new DTP products**
- Assisted pharmacies in various regions to obtain the “dual-channel” qualification so as to prepare for the outflow of prescriptions, and **138 pharmacies** gained it
- Accounted for 3 places in the “2021–2022 Top 10 Standalone Pharmacies in China”, and ranked No. 2 in the “2022 Pharmaceutical Retail • DTP Top 10” of China Health Ecology Organization

Expand innovative value-added services

- **Runyao Garden — Runyao Pharmacist Training** were provided for all specialty pharmacies to continuously improve the service standard of professional pharmacists
- Set up 9 **pharma-diagnosis-healthcare complexes** to provide customers with comprehensive services such as intelligent inspection and testing, online consultation and chronic disease management
- Cooperated with CR Vanguard to set up “**Runde Vanguard**” stores to jointly create one-stop experience of health and consumption services

Integrated online and offline business model

- Set up a team for integration and digitization operation of C-end warehouse
- In 2022, **the C-end online business sales grew over 166% YoY**
- Formally launched the online e-commerce platform for import & export business “**Bai Run Overseas Flagship Store**” and firstly introduced popular OTC and healthcare products made by Kobayashi, etc.

The MSCI-ESG Rating rose to A

In January 2023, the **MSCI-ESG Rating of CR Pharma rose from BBB to A**, which demonstrated the unremitting development of its management capability in terms of environmental, social and corporate governance, as well as the recognition of the global capital market for the ESG management capability and long-term investment value of CR Pharma

Ensured production and supply to protect public health

- Undertook the supply of materials for **pandemic prevention to Hong Kong** with the order amount of over HK\$800 million
- In December, to adapt to the new situations of pandemic prevention and control, made every effort to **ensure production and supply**, producing more than 160 million boxes/bottles of anti-pandemic products and supplying over 220 million boxes/bottles/pieces/person of key anti-pandemic materials



Adhered to green and low-carbon development

- **Distributed photovoltaic power generation** projects of CR Double-Crane and CR Pharma Commercial were launched, which can reduce carbon emissions by 1,540 tons per year
- CR Sanjiu's **Shenzhen Guanlan Industrial Park** was selected as a **pilot demonstration** project of Shenzhen's 2022 industrial "**peak carbon dioxide emissions**" work
- Jiangzhong Pharma was granted the "**China Environmental Excellence Award**", the highest award in the field of environmental protection in China

Improved corporate governance

- The **equity incentive** schemes of CR Sanjiu, CR Double-Crane and Jiangzhong Pharma were stably carried out. CR Biopharma completed its **B-round financing**, which would further deepened the reform of mixed ownership
- **The Authorization Management System of the Board of Directors** was implemented, with 6 functions of the Board being incorporated into the Company's articles of association, which enhanced standardization and effectiveness of the Board

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Implement the “Healthy China” strategy, and accelerate innovation transformation

Make business selection and layout organically in line with the national layout for emerging strategic industries and the regional development strategy; actively develop the biopharma industry and blood products, and achieve breakthrough in vaccine business

Drive development with innovation and enhanced R&D capabilities

Consistently increasing R&D investment and introduce more scientific research personnel; diversify and innovate product pipelines through independent R&D and multi-level external cooperation, improve the R&D and clinical capability of innovative products, and improve the R&D and transformation capacity of new drugs

Accelerate M&A, and integrate external superior resources

Grasp opportunities of industrial development, and speed up the external mergers and acquisitions; supplement, strengthen, consolidate, and extend industrial chain; enrich investment measures and deploy high-quality innovation; strengthen investment system construction and the post-investment management



Improve business quality and Strengthen collaborative development

Benchmarking world-leading enterprises, upgrading management capability, optimizing product portfolio and business structure, reducing cost, improving quality and increasing efficiency. Develop a cross-regional, multi-dimensional and multi-model synergy mechanism and promote the overall coordination and optimal allocation of resources

Deepen the SOE reform and release the vitality of operation

Deepen the mixed ownership reform in an active and prudent manner, promote the optimization and structural adjustment of the layout of state-owned capital, and improve the modern corporate governance. Optimize the incentive mechanism, and promote quality improvement as well as coverage expand of medium and long-term incentives

Empower business development with intellectualization and digitalization

Actively promote the digital transformation and upgrade of fields of core areas along the value chain. Realize digital-driven improvement in the operation efficiency and business model innovation, inject digital power into high-quality development, and empower enterprise development



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

(Stock Code 股份代號：3320)

Q&A



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Appendix I: Statement of profit or loss

HK\$ million	2021	2022	YoY
Revenue	236,806	254,106	7.3%
Gross profit	35,380	39,135	10.6%
Gross profit margin	14.9%	15.4%	
Net profit of the Company	6,647	7,843	18.0%
Net profit attributable to owners of the parent company	3,769	4,147	10.0%
Net profit margin attributable to the parent company	1.6%	1.6%	
Earnings per share (HK\$)	0.60	0.66	

Appendix II: Balance sheet

HK\$ million	31 December 2021	31 December 2022
Total assets	248,562	241,286
Property, plant and equipment	19,677	19,436
Goodwill	24,902	22,848
Trade and other receivables	77,613	79,529
Inventories	29,688	29,718
Cash and deposits	17,513	17,043
Total liabilities	153,578	151,104
Trade and other payables	75,551	77,653
Bank borrowings	50,668	45,613
Bonds payable	4,364	5,149
Total equity	94,984	90,182
Equity attributable to the parent company	50,981	49,559
Current ratio	1.2	1.3
Interest-bearing debts	66,440	61,739
Interest-bearing debt to total equity	0.70	0.68
Net interest-bearing debts	48,927	44,696
Net interest-bearing debt to total equity	0.52	0.50

Appendix III: Segment results for 2022

HK\$ million	Manufacturing	Distribution	Retail	Others	Total
External income	40,167	205,062	8,837	40	254,106
Segment results	11,736	8,256	17	22	20,031
Other income					1,422
Other gains and losses					-1,405
Administrative expenses					-6,479
Other expenses					-2,153
Share of profits of associates and joint ventures					389
Finance costs					-2,783
Finance income					834
Profit before tax					9,856

Appendix IV: Corporate profile

Principal Activities

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

Stock Information

- Listed on the Hong Kong Stock Exchange on 28 October 2016 (3320.HK)
- Total share capital: 6,283 million shares¹
- Market capitalisation: HK\$39,709 million¹

Equity Structure





華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

Pharmaceutical Manufacturing Business

Segment Revenue: HK\$44.30 billion
Segment Gross Profit: HK\$25.40 billion

- One of the largest pharmaceutical manufacturers in China
- The largest OTC manufacturer in China
- Own a range of brands with strong name recognition: 999, Dong-E-E-Jiao, Double Crane, Jiangzhong, Zizhu, Boya Bio-pharma and etc.



- Production and manufacturing of 626 products
- Have nearly 300 ongoing new drug R&D programs: including nearly 100 new drug programs and 38 biopharma drug research programs (20 of which are new biopharma drugs)

Pharmaceutical Distribution

Segment Revenue: HK\$211.29 billion
Segment Gross Profit: HK\$12.99 billion

- The third largest pharmaceutical distributor in China
- Have 228 subsidiaries and over 200 logistics centers in 28 provinces in China
- Distribute about 240,000 types of products, including about 40,000 types of prescription medicines and about 20,000 types of OTC medicines
- Maintain long-term and stable relationships with over 100,000 domestic and international upstream suppliers
- The total downstream customers is about 150,000, including hospitals by class, primary medical institutions, retail pharmacies and other customers

Pharmaceutical Retail

Segment Revenue: HK\$8.84 billion
Segment Gross Profit: HK\$0.71 billion

- Operate 793 retail pharmacies and 228 DTP pharmacies (including 138 “dual channel” pharmacies)
- Own a wide range of quality brands, including CR Care (华润堂), Yibaoquanxin (医保全新), Li'an chain (礼安连锁), and Tung Tak Tong (同德堂), Teck Soon Hong(德信行)








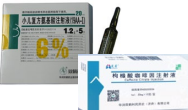




- Set up a new retail business division and an internet medical business division to promote innovative business models such as "medicine + healthcare", "pharmacy + clinic" and "internet + pharmacy", and to build a new retail system outside hospitals









Appendix VI: Product portfolio - TCM and healthcare products

Major Products	Therapeutic Areas	Major Products	Therapeutic Areas
 <p>E-Jiao block 阿胶块, Compound E-Jiao slurry 复方阿胶浆, E-Jiao powder 阿胶粉</p>	<p>Nourishing Yin for moistening dryness, replenishing Qi and boosting blood production to relieve anemia</p>	 <p>Gutong patch 骨通贴膏, Tianhe Zhuifeng ointment 天和追风膏, Zhuanggu product series 壮骨系列</p>	<p>Orthopedics</p>
 <p>Ganmaoling 感冒灵, Compound Ganmaoling 复方感冒灵, Qiangli Pipalu 强力枇杷露</p>	<p>Cold and cough</p>	 <p>Shenfu injection 参附注射液, Shenmai injection 参麦注射液, Shengmai injection 生脉注射液</p>	<p>Cardiovascular system</p>
 <p>Zhengtian (正天) product series</p>	<p>Headache</p>	 <p>Huachansu 华蟾素, Javanica oil soft capsule 鸦胆子油软胶囊</p>	<p>Oncology</p>
 <p>Sanjiu Weitai 三九胃泰, Qizhi Weitong 气滞胃痛 and Yinzhihuang 茵栀黄</p>	<p>Alimentary tract and metabolism</p>	 <p>Portfolio of over 600 products of Chinese medicine formula granules</p>	<p>Chinese medicine formula granules</p>
 <p>Pediatric Paracetamol Artificial Cow-bezoar and Chlorphenamine Maleate granules 小儿氨酚黄那敏颗粒, Xiao'er Ganmao granules 小儿感冒颗粒, Xiao'er Zhike syrup 小儿止咳糖浆</p>	<p>Pediatrics</p>	 <p>Xuesaitong soft capsules (Li Xu Wang) 血塞通软胶囊 (理血王)</p>	<p>Cardiovascular system</p>
 <p>Jianwei Xiaoshi tablet 健胃消食片, Lactobacillus tablet 乳酸菌素片, Lihuo Probiotics 利活益生菌</p>	<p>Alimentary tract and metabolism</p>	 <p>Taohuaji 桃花姬 and Zhenyan E-Jiao jelly 真颜阿胶糕, derived from the E-Jiao Chinese medicine product series</p>	<p>Healthcare products</p>
 <p>Compound Caoshanhu buccal tablet 复方草珊瑚含片</p>	<p>Oropharynx</p>	 <p>Nutritional supplements, health food derived from core areas TCM treatment</p>	<p>Healthcare products</p>

Appendix VII: Product portfolio - Chemical drugs

Major Products	Therapeutic Areas	Major Products	Therapeutic Areas
 <p>Compound Reserpine and Triamterene tablets (Hypertensive No.0) 复方利血平氨苯蝶啶片(降压0号)</p>	Cardiovascular system	 <p>Cefazolin Sodium Pentahydrate for injection (Xintailin) 注射用五水头孢唑林钠(新泰林)</p>	Anti-infective
 <p>Amlodipine Besylate tablets (Yashida) 苯磺酸氨氯地平片(压氏达)</p>	Cardiovascular system	 <p>Peritoneal dialysis solution (Peritoneal dialysate) 腹膜透析液</p>	Nephrology
 <p>Valsartan capsules (Suiyue) 缬沙坦胶囊(穗悦) Valsartan-Hydrochlorothiazide tablets (Fu Suiyue) 缬沙坦氢氯噻嗪片(复穗悦)</p>	Cardiovascular system	 <p>Calf Pulmonary Surfactant for injection (Kelisu) 注射用牛肺表面活性剂(珂立苏)</p>	Pediatrics
 <p>Pitavastatin Calcium tablets (Guanshuang) 匹伐他汀钙片(冠爽)</p>	Cardiovascular system	 <p>Pediatric Compound Amino Acid injection 小儿复方氨基酸注射液 Caffeine Citrate Injection (Fetoca) 枸橼酸咖啡因注射液(斐童)</p>	Pediatrics
 <p>Gliquidone tablets (Tangshiping) 格列喹酮片(糖适平) Metformin Sustained-release tablets (Buke) 二甲双胍缓释片(卜可)</p>	Alimentary tract and metabolism (diabetes therapy)	 <p>Levonorgestrel tablets (Yuting and Golden Yuting) 左炔诺孕酮片(毓婷和金毓婷)</p>	Reproductive health

Appendix VIII: Product portfolio - Biological drugs

Major Products	Therapeutic Areas	Major Products	Therapeutic Areas
 <p>Human fibrinogen</p>	Blood products	 <p>Recombinant Human Erythropoietin Injection (CHO Cell) (Jialinhao) 重组人促红素注射液(CHO细胞) (佳林豪)</p>	Blood and blood forming organs
 <p>Human albumin</p>	Blood products	 <p>Recombinant Human Interleukin-11 (I) for injection (Baijieyi) 注射用重组人白介素-11 (I) (百杰依)</p>	Oncology
 <p>Bifid Triple Viable Capsules Dissolving at Intestines (BIFIDO) 双歧杆菌三联活菌肠溶胶囊(贝飞达)</p>	Gastroenterology	 <p>Recombinant Human Tissue Plasminogen Activator Derivatives (r-PA) for injection (Ruitongli) 注射用重组人组织型纤溶酶原激酶衍生物(瑞通立)</p>	Cardiocerebral vascular system
 <p>Prothrombin Concentration Complex</p>	Blood products	 <p>Intravenous immunoglobulin</p>	Blood products