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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

UNAUDITED FINANCIAL RESULTS OF CR SANJIU FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND POSITIVE PROFIT ALERT OF CR SANJIU FOR THE NINE MONTHS ENDING 30 SEPTEMBER 2019

On 22 August 2019, CR Sanjiu released its interim report for the six months ended 30 June 2019, and issued a positive profit alert for the nine months ending 30 September 2019.

China Resources Sanjiu Medical & Pharmaceutical Company Limited (華潤三九醫藥股份有限公司) (“**CR Sanjiu**”) is a company incorporated in the People’s Republic of China (the “**PRC**”). The shares of CR Sanjiu are listed on the Shenzhen Stock Exchange. As of the date of this announcement, CR Sanjiu is indirectly owned as to 63.60% by China Resources Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and is a subsidiary of the Company.

On 22 August 2019, CR Sanjiu released its interim report for the six months ended 30 June 2019 (the “**CR Sanjiu Unaudited Financials**”). Set out below is the key financial information of the CR Sanjiu Unaudited Financials:

	As of 30 June 2019 (RMB) (unaudited)	As of 31 December 2018 (RMB) (audited)	Increase/ decrease (%)
Total assets	18,482,653,538.55	18,029,932,145.02	2.51%
Net assets attributable to shareholders of the listed company	12,168,293,234.59	10,827,719,074.65	12.38%

	For the six months ended 30 June		Increase/ decrease (%)
	2019 (RMB) (unaudited)	2018 (RMB) (unaudited)	
Revenue	7,166,809,328.65	6,472,097,341.84	10.73%
Net profit attributable to the shareholders of the listed company	1,722,327,728.56	826,501,378.09	108.39%
Net profit attributable to the shareholders of the listed company (after extraordinary gains or losses)	976,520,967.14	772,719,224.90	26.37%
Net cash flow from operating activities	1,185,931,159.16	1,085,334,823.03 ⁽¹⁾	9.27%
Basic earnings per share (RMB/share)	1.76	0.84	109.52%
Diluted earnings per share (RMB/share)	1.76	0.84	109.52%
Weighted average return on net asset (%)	15.23%	8.43%	6.8 percentage points

Note (1): In 2019, the Ministry of Finance of the PRC released or amended the “Notice on the Amendment to and Publication of Financial Statement Format for General Enterprises for 2019”, the “Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets” and the “Accounting Standards for Business Enterprises No. 12 - Debt Restructuring”. According to the requirements of the “Notice on the Amendment to and Publication of Financial Statement Format for General Enterprises for 2019”, the retrospective adjustment method is adopted for accounting treatment in the changes of relevant stated items. Among which, the government grants actually received by enterprises, whether related to the assets or to the revenue, are all presented under the item of “cash received from other operating activities”. Such change in the accounting policy has reduced the net cash flow from investing activities in the combined cash flow statement, and has increased the net cash flow from operating activities cash by the same amount. However, there is no impact on the net increase in cash and cash equivalents. The abovementioned adjustments have no impact on the total assets, net assets, revenue and net profit of the Company.

The CR Sanjiu Unaudited Financials have been prepared in accordance with the PRC Generally Accepted Accounting Principles. For further details of the CR Sanjiu Unaudited Financials, please refer to the interim report for the six months ended 30 June 2019 published by CR Sanjiu on the website of the Shenzhen Stock Exchange (www.szse.cn).

On 22 August 2019, CR Sanjiu also published a positive profit alert announcement, pursuant to which it is announced that, based on preliminary assessment by the management of CR Sanjiu and the information currently available to them, the unaudited net profit attributable to the shareholders of the listed company and basic earnings per share of CR Sanjiu for the nine months ending 30 September 2019 are estimated to be as follows:

	For the nine months ending		
	30 September		
	2019	2018	Increase
	(unaudited)	(unaudited)	(%)
	<i>(Approximately)</i>	<i>(Approximately)</i>	
Net profit attributable to the shareholders of the listed company <i>(RMB/million)</i>	1,835 to 2,058	1,112.5	64.95% to 85.00%
Basic earnings per share <i>(RMB/share)</i>	1.87 to 2.10	1.14	

The significant increase in CR Sanjiu's net profit attributable to the shareholders of the listed company for the nine months ending 30 September 2019 is primarily attributable to the completion of disposal of its 82.89% equity interest in Shenzhen Sanjiu Hospital Co., Ltd. (深圳市三九醫院有限公司) in January 2019, resulting in a net gain (after tax) of approximately RMB680 million to CR Sanjiu. As CR Sanjiu is still in the processing of reviewing and finalizing its quarterly results for the nine months ending 30 September 2019, the above information has not been audited or reviewed and may be subject to adjustment or amendment. Shareholders and potential investors should refer to the final quarterly results and quarterly report for the nine months ending 30 September 2019 to be published by CR Sanjiu.

The financial information set out in this announcement is limited to those of CR Sanjiu only and does not provide a comprehensive presentation 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.**

By order of the Board of Directors
China Resources Pharmaceutical Group Limited
WANG Chuncheng
Chairman

Shenzhen, 23 August 2019

As of the date of this announcement, the Board of Directors of the Company comprises Mr. WANG Chuncheng, Mr. LI Xiangming, Mr. QIU Huawei and Mdm. WENG Jingwen as executive Directors; Mr. YU Zhongliang, Ms. GUO Wei, Mr. WANG Shouye and Mr. LYU Ruizhi as non-executive Directors; Mdm. SHING Mo Han Yvonne, Mr. KWOK Kin Fun, Mr. FU Tingmei and Mr. ZHANG Kejian as independent non-executive Directors.