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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 CR BOYA BIO-PHARMACEUTICAL FOR THE YEAR ENDED 31 DECEMBER 2022**

On 12 March 2023, CR Boya Bio-pharmaceutical released its unaudited preliminary financial information for the year ended 31 December 2022.

China Resources Boya Bio-pharmaceutical Group Company Limited (華潤博雅生物製藥集團股份有限公司) (“**CR Boya Bio-pharmaceutical**”) is a company incorporated in the People’s Republic of China. The shares of CR Boya Bio-pharmaceutical are listed on the Shenzhen Stock Exchange. As of the date of this announcement, China Resources Pharmaceutical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) indirectly holds approximately 29.28% of the total share capital and approximately 40.59% voting rights in the total share capital of CR Boya Bio-pharmaceutical, and therefore, CR Boya Bio-pharmaceutical is a subsidiary of the Company.

On 12 March 2023, CR Boya Bio-pharmaceutical released its unaudited preliminary financial information for the year ended 31 December 2022 (the “**reporting period**”) (the “**CR Boya Bio-pharmaceutical Preliminary Financial Information**”). Set out below are the key financial information of the CR Boya Bio-pharmaceutical Preliminary Financial Information:

**I. MAJOR FINANCIAL INFORMATION AND INDICATORS FOR THE YEAR OF 2022**

Unit: RMB ten thousand

<b>Item</b>	<b>The reporting period</b>	<b>The corresponding period of previous year</b>	<b>Increase /decrease (%)</b>
Total operating revenue	275,870.13	265,052.84	4.08%
Operating profit	53,218.07	44,305.65	20.12%
Total profit	53,200.17	44,311.79	20.06%
Net profit attributable to the shareholders of the listed company	43,219.76	34,452.90	25.45%
Net profit attributable to the shareholders of the listed company (exclude extraordinary gains or losses)	39,212.45	29,349.29	33.61%
Basic earnings per share (RMB/share)	0.86	0.79	8.86%
Weighted average return on net asset (%)	6.18%	7.83%	-1.65 percentage point
<b>Item</b>	<b>As of the end of the reporting period</b>	<b>As of the beginning of the reporting period</b>	<b>Increase / decrease (%)</b>
Total assets	803,317.54	762,177.59	5.40%
Equity attributable to the shareholders of the listed company	718,563.45	682,907.42	5.22%
Share capital (ten thousand shares)	50,424.87	51,163.34	-1.44%
Net assets per share attributable to the shareholders of the listed company (RMB/share)	14.2502	13.3332	6.88%

- Notes:
1. The above information are presented on a consolidated basis of CR Boya Bio-pharmaceutical;
  2. On 20 June 2022, CR Boya Bio-pharmaceutical completed the cancellation procedures for its repurchase of 7,384,700 shares;
  3. The above indicators, including net profit, basic earnings per share, return on equity, equity attributable to shareholders, and net assets per share, are based on those attributable to the shareholders of CR Boya Bio-pharmaceutical. Basic earnings per share and return on net asset are calculated using weighted average method.

## II. DETAILS OF OPERATING RESULTS AND FINANCIAL POSITIONS

### (i) The operating performance during the reporting period and the main factors affecting the operating performance

- (1) In 2022, CR Boya Bio-pharmaceutical achieved significant growth in sales of its main products, accompanied by an increase in gross profit margin and gain from financial investments, resulting in a larger increase in net profit. The blood product business achieved operating revenue of approximately RMB1,342.2172 million, an increase of 8.96% compared to the same period last year, and net profit of approximately RMB497.8772 million, an increase of 29.45% compared to the same period last year.
- (2) In 2022, the sale of main products of Guizhou Tianan Pharmaceutical Co., Ltd. (貴州天安藥業股份有限公司) ("**Tianan Pharmaceutical**"), such as metformin hydrochloride tablets/enteric-coated tablets, decreased mainly due to the "group procurement" policy. Tianan Pharmaceutical achieved operating revenue of approximately RMB178.3906 million, a decrease of 25.01% compared to the same period last year, and net profit (before fair value adjustments) of approximately RMB27.226 million, a decrease of 15.41% compared to the same period last year.
- (3) In 2022, the sale of high-margin products of Nanjing Xinbai Pharmaceutical Co., Ltd. (南京新百藥業有限公司) ("**Xinbai Pharmaceutical**") significantly decreased due to various market factors, such as the provincial alliance group procurement of oxytocin injection, the gradual withdrawal of compound peptide injection from the local medical insurance catalog, and intensified competition from competitors, resulting in a decline in both of its revenue and profits to varying extent. Xinbai Pharmaceutical achieved operating revenue of approximately RMB438.1169 million, a decrease of 14.25% compared to the same period last year, and net profit (before fair value adjustments) of approximately RMB29.6247 million, a decrease of 23.76% compared to the same period last year.
- (4) In 2022, the operating revenue of Guangdong Fuda Pharmaceutical Co., Ltd. (廣東複大醫藥有限公司) ("**Fuda Pharmaceutical**") significantly increased due to the increase in sales of its stavudine product and the development of new product businesses, while its profits dropped due to policies relating to group procurement and national negotiations, and the closure of public self-paid pharmacies. Fuda Pharmaceutical achieved operating revenue of approximately RMB814.2145 million, an increase of 22.69% compared to the same period last year, and net profit (before fair value adjustments) of approximately RMB42.7547 million, a decrease of 3.33% compared to the same period last year.

(5) In 2022, Jiangxi Boya Xinhe Pharmaceutical Co., Ltd. (江西博雅欣和製藥有限公司) ("Boya Xinhe") remains loss-making as its production of raw materials had not realized economies of scale and the gross profit was unable to fully cover the depreciation of fixed assets. Boya Xinhe achieved operating revenue of approximately RMB14.4136 million, a decrease of 51.59% compared to the same period last year, and net loss (before fair value adjustments) of approximately RMB79.0453 million, a decrease of 25.25% compared to the same period last year.

**(ii) Explanation of the changes in main financial information**

As of the end of reporting period, CR Boya Bio-pharmaceutical's total assets were approximately RMB8,033.1754 million, an increase of 5.40% compared to the same period last year, and the owner's equity attributable to shareholders of the listed company was approximately RMB7,185.6345 million, an increase of 5.22% compared to the same period last year. The year-on-year growth in CR Boya Bio-pharmaceutical's total assets and net assets is mainly due to CR Boya Bio-pharmaceutical's stable operation and good asset condition.

**III. MAIN REASONS OF DIFFERENCE FROM THE PREVIOUS RESULTS ESTIMATE**

Prior to the publication of this announcement, the Company did not publish any results estimate for CR Boya Bio-pharmaceutical for the year 2022.

The CR Boya Bio-pharmaceutical 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 CR Boya Bio-pharmaceutical in its 2022 annual report shall prevail.

The financial information is limited to CR Boya Bio-pharmaceutical 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 CR Boya Bio-pharmaceutical Preliminary Financial Information, please refer to the annual report for the year ended 31 December 2022 to be published by CR Boya Bio-pharmaceutical on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)).

By Order of the Board  
**China Resources Pharmaceutical Group Limited**  
**Han Yuewei**  
*Chairman*

Shenzhen, 12 March 2023

*As at the date of this announcement, the Board comprises Mr. Han Yuewei as chairman and non-executive Director, Mr. Bai Xiaosong, Mr. Tao Ran and Mdm. Weng Jingwen as executive Directors, Mr. Lin Guolong, Mdm. Guo Wei, Mr. Hou Bo and Mdm. Jiao Ruifang as non-executive Directors and Mdm. Shing Mo Han Yvonne, Mr. Kwok Kin Fun, Mr. Fu Tingmei and Mr. Zhang Kejian as independent non-executive Directors.*