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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)

**PROPOSED ISSUANCE OF
PERPETUAL CORPORATE BONDS IN THE PRC
AND
UNAUDITED FINANCIAL RESULTS OF
CR PHARMACEUTICAL HOLDINGS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

Reference is made to the announcements of China Resources Pharmaceutical Group Limited (the “**Company**”) dated 7 December 2018 and 13 November 2019 (the “**Announcements**”) in relation to, among others, (i) the receipt by China Resources Pharmaceutical Holdings Company Limited (華潤醫藥控股有限公司) (“**CR Pharmaceutical Holdings**”), a wholly-owned subsidiary of the Company, of the approval from China Securities Regulatory Commission (Zheng Jian Xu Ke [2018] No. 2007) on the public issuance of corporate bonds by CR Pharmaceutical Holdings to qualified investors in the PRC in an aggregate principal amount of not more than RMB10 billion and (ii) the completion of the issuance of 2019 first tranche perpetual corporate bonds in the PRC. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless stated otherwise herein.

The board of directors of the Company (the “**Board**”) is pleased to announce that CR Pharmaceutical Holdings proposes to issue 2020 first tranche perpetual corporate bonds in the PRC (“**2020 Perpetual Bonds**”). The 2020 Perpetual Bonds shall be issued in a principal amount not exceeding RMB1 billion with an initial term of two years, which may be extended for another term of two years (“**Interest Term**”) or repaid in full (together with all accrued interests) at the end of every Interest Term at the election of CR Pharmaceutical Holdings. The coupon rate for the 2020 Perpetual Bonds is 3.79%

The net proceeds raised from the issuance of the 2020 Perpetual Bonds will be used for the repayment of the indebtedness of CR Pharmaceutical Holdings and its subsidiaries.

In connection with the issuance of the 2020 Perpetual Bonds, CR Pharmaceutical Holdings is required to disclose its most recent consolidated unaudited quarterly financial information on the website of the Shanghai Stock Exchange. The enclosed management accounts are unaudited financial figures of CR Pharmaceutical Holdings and its subsidiaries for the nine months ended 30 September 2020 for disclosure on the website of Shanghai Stock Exchange. The enclosed management accounts were prepared in Chinese and have been translated for publication in both English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

The financial information set out in the enclosed management accounts have been prepared in accordance with the PRC Generally Accepted Accounting Principles, have not been reviewed or audited by the Company's auditors, and may require adjustments during the course of auditing. **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
China Resources Pharmaceutical Group Limited
WANG Chuncheng
Chairman

Shenzhen, 30 October 2020

As of the date of this announcement, the Board comprises Mr. WANG Chuncheng as chairman and non-executive Director, Mr. HAN Yuewei, Mr. LI Xiangming and Mdm. WENG Jingwen as executive Directors, Mr. YU Zhongliang, Mdm. GUO Wei, Mr. WANG Shouye and Mr. LYU Ruizhi 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.

**CHINA RESOURCES PHARMACEUTICAL HOLDINGS COMPANY
LIMITED (CONSOLIDATED) BALANCE SHEET IN ACCORDANCE
WITH THE PRC STANDARDS SEPTEMBER 2020**

Adjusted to denominated currency

Unit: RMB 1

Item	Closing balance	Opening Balance	Item	Closing balance	Opening Balance
Current assets:			Current liabilities:		
Monetary fund	12,779,658,450.69	15,128,512,305.36	Short-term borrowings	31,095,660,262.40	24,150,195,078.03
Held-for-trading financial assets	6,379,749,932.96	4,772,170,060.39	Held-for-trading financial liabilities	-	-
Derivative financial assets	-	-	Notes payable and accounts payable	42,446,035,320.40	38,610,644,263.79
Notes receivable	3,285,278,880.57	2,034,285,213.25	Including: Notes payable	11,970,755,175.28	11,769,816,529.06
Accounts receivable	55,014,443,942.73	46,672,644,792.19	Accounts payable	30,475,280,145.12	26,840,827,734.73
Financing receivables	19,216,101,299.91	18,593,544,487.60	Receipts in advance	3,332,520.91	-
Prepayment	4,061,219,433.58	3,273,029,381.55	Contract liabilities	2,065,738,688.09	1,484,137,316.01
Other receivables	5,229,675,860.45	5,690,638,904.57	Staff remuneration payable	1,651,624,643.79	1,708,103,699.59
Including: Interest receivable	2,550,089.67	973,169.92	Including: Wages payable	460,645,864.02	1,406,614,575.94
Dividends receivable	(0.00)	-	Benefits payable	101,997,481.74	70,638,657.60
Inventory	21,733,432,438.10	19,748,638,490.99	Taxation payable	934,080,679.11	1,002,996,550.96
Including: Raw materials	2,242,147,059.51	2,223,583,512.11	Including: Tax payable	858,514,223.01	785,247,429.69
Goods in stock (finished products)	17,736,930,938.08	16,374,173,380.03	Lease liabilities	-	-
Contract assets	20,350,061.20	-	Other payables	28,712,135,744.48	30,972,840,676.05
Non-current assets due within one year	523,399,465.20	1,605,362,485.48	Including: Interest payable	77,446,214.87	83,653,055.24
Other current assets	1,028,248,561.87	1,011,941,165.45	Dividends payable	4,410,282,287.41	4,586,707,851.34
			Insurance contract liabilities	-	-
			Non-current liabilities due within one year	2,865,351,366.41	2,232,489,918.59
			Other current liabilities	2,010,745,169.90	66,200,841.02
Total current assets	129,271,558,327.25	118,530,767,286.83	Total current liabilities	111,784,704,395.49	100,227,608,344.04
Non-current assets:			Non-current liabilities:		
Other debt investments	(0.25)	-	Long-term borrowings	1,211,748,222.00	3,481,463,947.21
Debt investments	180,502,830.19	340,800,000.00	Bonds payable	3,000,000,000.00	5,073,637,549.10
Long-term receivables	114,792,453.95	717,834,962.73	Long-term payables	1,737,603,821.21	2,282,328,423.46
Other equity instruments investments	2,265,589.19	-	Including: Long-term payables	1,596,796,917.41	2,142,376,860.18
Long-term equity investments	4,199,711,743.04	4,124,802,246.82	Special payables	140,806,903.80	139,951,563.28
Investment properties	356,129,302.31	358,559,289.43	Long-term employee remuneration payable	42,801,513.07	-
Other non-current financial assets	412,957,471.56	369,252,688.14	Deferred revenue	524,874,587.93	538,474,289.62
Fixed assets	12,641,086,384.03	12,798,579,218.45	Estimated liabilities	2,268,170.28	2,268,170.28
Including: Disposal of fixed assets	4,173,305.41	1,809,532.29	Deferred income tax liabilities	1,274,431,431.13	1,240,235,644.17
Right-of-use assets	-	-	Lease liabilities	-	-
Construction in progress	1,179,008,205.19	1,128,140,534.31	Other non-current liabilities	80,628,378.95	13,293,063.52
Including: Construction materials	-	-	Including: Special reserve	-	-
Biological assets for production	30,242,274.16	69,309,780.76	Total non-current liabilities	7,874,356,124.58	12,631,701,087.36
Oil and gas assets	-	-	Total liabilities	119,659,060,520.06	112,859,309,431.40

Item	Closing balance	Opening Balance	Item	Closing balance	Opening Balance
Intangible assets	8,004,216,452.15	7,592,024,997.61	Owners' equity		
Including: Land use right	3,088,510,423.41	3,041,060,969.04	(or shareholders' equity):		
Development expenses	1,034,356,263.14	976,073,444.48	Paid-in capital (equity)	15,000,000,000.00	15,000,000,000.00
Goodwill	18,213,277,834.29	17,294,253,427.59	State-owned capital		
Long-term deferred expenses	283,090,084.62	263,411,510.09	Collective capital		
Deferred income tax assets	781,900,254.09	712,534,866.81	Legal person capital	15,000,000,000.00	15,000,000,000.00
Other non-current assets	780,079,842.40	797,660,909.14	Including: State-owned legal	15,000,000,000.00	15,000,000,000.00
Including: Contract assets	30,046,842.24	130,228,216.58	person capital		
			Collectively-owned		
			legal person capital		
			Individual's capital		
			Foreign capital		
			Other equity instruments	1,998,249,811.32	1,998,249,811.32
			Capital surplus	57,024,909.54	71,134,417.36
			Less: treasury shares	(0.00)	–
			Other comprehensive income	(11,799,995.51)	(10,834,639.91)
			Including: Differences on translation	(3,649,531.66)	(3,007,862.34)
			of foreign currency		
			statements		
			Surplus reserves	304,476,009.17	304,476,009.18
			Special reserves	668,253.35	637,502.29
			Undistributed profits	10,155,900,093.08	7,620,912,884.49
Total non-current assets	48,213,616,984.06	47,543,237,876.36	Total equity attributable to owners of	27,504,519,080.95	24,984,575,984.73
			the parent company		
			Minority interests	30,321,595,710.30	28,230,119,747.06
			Total owners' equity	57,826,114,791.25	53,214,695,731.79
Total assets	177,485,175,311.31	166,074,005,163.19	Total liabilities and owners' equity	177,485,175,311.31	166,074,005,163.19

**CHINA RESOURCES PHARMACEUTICAL HOLDINGS COMPANY
LIMITED (CONSOLIDATED) STATEMENT OF PROFIT OR LOSS IN
ACCORDANCE WITH THE PRC STANDARDS SEPTEMBER 2020**

Adjusted to denominated currency

Unit: RMB1

Item	This month	Accumulated amount for the year	Amount for the corresponding period of last year
I. Operating revenue	19,580,889,852.28	129,435,305,310.17	135,022,357,976.42
Including: Revenue from principal businesses	19,440,802,304.79	128,547,774,254.93	134,111,474,419.70
Revenue from other businesses	140,087,547.49	887,531,055.24	910,883,556.72
II. Operating costs	16,244,091,287.47	107,737,880,012.31	111,811,021,033.47
Including: Costs for principal businesses	16,169,241,304.70	107,322,067,998.98	111,354,265,166.83
Costs for other businesses	74,849,982.77	415,812,013.32	456,755,866.65
Tax and surcharge	98,331,272.27	544,345,488.69	566,607,972.43
Selling expenses	1,663,344,242.11	9,667,142,255.34	11,700,351,502.91
Management expenses	440,048,669.66	3,115,615,347.97	2,982,685,822.15
Including: Entertainment expenses	7,270,516.61	41,492,702.98	57,534,178.68
Research and development expenses	92,830,796.80	685,810,653.65	657,343,439.98
Finance costs	159,443,144.79	1,450,943,389.32	1,977,955,446.91
Including: Interest expenses	214,313,779.74	1,612,310,970.11	1,857,466,273.75
Interest income	43,130,866.94	229,038,276.79	251,203,181.49
Net Loss from exchange (net gain is represented by “-”)	(35,133,366.05)	(149,586,329.80)	143,122,515.75
Other revenue	30,174,245.28	351,472,391.02	233,594,475.00
Gain from investment (loss is represented by “-”)	8,902,340.80	260,875,237.77	1,147,613,443.10
Including: Gains from investment in associates and joint ventures	(310,691.50)	99,015,720.20	61,947,932.85
Gain from derecognition of financial assets at amortised costs	-	-	-
Net gains from hedging exposure (loss is represented by “-”)	-	-	-
Add: gains from changes in fair values (loss is represented by “-”)	26,421,177.67	53,781,594.81	52,889,387.36
Impairment losses of assets	22,079,936.33	63,655,854.99	20,090,387.87
Loss on credit impairment	33,419,407.27	535,115,528.04	254,064,927.23
Gains from disposal of assets	2,003,723.99	11,432,004.21	3,403,881.81
III. Operating profits (loss is represented by “-”)	894,802,583.31	6,312,358,007.67	6,489,738,630.74
Add: Non-operating income	2,394,943.25	73,186,883.43	82,363,369.34
Including: Gains from exchanging non-monetary assets	-	-	-
Government subsidies	(1,329,011.03)	1,803,680.81	4,762,475.76
Less: Non-operating expenses	11,461,074.49	58,058,526.96	55,646,310.18
Including: Loss on exchanging non-monetary assets	-	-	-
IV. Total profits (total loss is represented by “-”)	885,736,452.07	6,327,486,364.13	6,516,455,689.90
Less: Income tax expenses	186,827,701.55	1,178,782,364.61	1,302,607,221.77
V. Net profits (net loss is represented by “-”)	698,908,750.52	5,148,703,999.52	5,213,848,468.13
Including: Net gains of the absorbed party before business combination under common control			
Net profits attributable to the owners of the parent company	329,259,856.77	2,541,572,161.44	2,458,300,728.18
* Gains and losses of minority interests	369,648,893.75	2,607,131,838.08	2,755,547,739.95
Profit attributable to holders of perpetual capital instruments	-	-	-

CHINA RESOURCES PHARMACEUTICAL HOLDINGS COMPANY LIMITED (CONSOLIDATED) STATEMENT OF CASH FLOWS IN ACCORDANCE WITH THE PRC STANDARDS SEPTEMBER 2020

Adjusted to denominated currency

Unit: RMB 1

Item	This month	Accumulated amount for the year	Amount for the corresponding period of last year
I. Cash flows from operating activities:			
Cash received from the sales of goods and the rendering of services	17,683,081,428.89	134,325,601,016.87	131,980,934,897.45
Refund of taxes and levies	2,517,026.11	11,820,664.98	37,147,535.04
Cash received relating to other operating activities	1,836,609,074.22	20,327,244,706.05	19,231,560,966.03
Sub-total of cash inflows from operating activities	19,522,207,529.22	154,664,666,387.90	151,249,643,398.52
Cash paid for goods purchased and services received	15,109,634,689.07	116,679,455,280.79	114,051,795,067.12
Cash paid to and for employees	613,257,192.66	6,120,343,980.35	6,295,037,756.33
Payments of all types of taxes	444,809,995.04	4,658,957,337.88	5,775,578,570.52
Cash payments relating to other operating activities	2,481,302,076.94	25,527,772,756.65	27,740,543,857.65
Sub-total of cash outflows from operating activities	18,649,003,953.70	152,986,529,355.67	153,862,955,251.61
Net cash flow from operating activities	873,203,575.52	1,678,137,032.23	(2,613,311,853.09)
II. CASH FLOW FROM INVESTING ACTIVITIES:			
Cash received from investment recovery	1,826,310,975.06	28,803,217,578.63	30,021,681,372.35
Cash received from returns on investments	53,211,910.62	296,773,201.85	287,865,183.08
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1,154,906.80	24,744,146.53	80,030,432.82
Net cash received from disposals of subsidiaries and other operating units	699,930.00	714,029,543.22	192,510,161.66
Cash received relating to other investing activities	6,193,752.05	183,773,045.92	1,206,478,828.17
Sub-total of cash inflows from investing activities	1,887,571,474.53	30,022,537,516.15	31,788,565,978.08
Cash paid to acquire fixed assets, intangible assets and other long-term assets	127,709,684.39	1,074,668,236.62	1,211,741,303.00
Cash paid for investments	1,539,035,900.00	30,513,282,348.88	28,640,097,929.54
Net cash paid for acquisition of subsidiaries and other operational units	17,202,151.79	979,221,934.67	802,335,232.35
Cash payments relating to other investing activities	59,951.00	34,974,780.69	4,890,775.17
Sub-total of cash outflows from investing activities	1,684,007,687.18	32,602,147,300.86	30,659,065,240.06
Net cash flow from investing activities	203,563,787.35	(2,579,609,784.71)	1,129,500,738.01
III. Cash flow from financing activities:			
Cash received from capital contribution	4,500,000.00	12,900,000.00	117,750,000.00
Including: Cash received by subsidiaries from investments of minority shareholders			
Cash received from borrowings	2,937,803,937.51	34,705,762,414.98	36,744,313,815.13
Cash received from issuance of bonds	-	4,000,000,000.00	4,000,000,000.00
Cash payments relating to other financing activities	2,748,714,317.14	13,867,955,879.27	10,272,045,816.88
Sub-total of cash inflows from financing activities	5,691,018,254.65	52,586,618,294.25	51,134,109,632.01
Cash payments for debts settlement	2,827,840,688.55	39,303,297,818.44	37,215,411,361.67
Cash payments for distribution of dividends, profits, or interest expenses	268,116,305.95	2,392,096,484.46	2,715,542,162.12
Including: Dividends and profits paid by subsidiaries to minority shareholders	-	23,763,616.00	-
Cash payments relating to other financing activities	3,651,652,453.34	12,988,107,694.30	10,873,193,009.42
Sub-total of cash outflows from financing activities	6,747,609,447.84	54,683,501,997.20	50,804,146,533.21
Net cash flow from financing activities	(1,056,591,193.19)	(2,096,883,702.95)	329,963,098.80
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(845,863.48)	(2,470,861.32)	2,716,092.37
V. Net increase in cash and cash equivalents	19,330,306.20	(3,000,827,316.75)	(1,151,131,923.91)
Add: Opening balance of cash and cash equivalent	7,974,694,908.40	10,994,852,531.35	11,629,057,540.12
VI. Closing balance of cash and cash equivalents	7,994,025,214.60	7,994,025,214.60	10,477,925,616.21