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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)

INSIDE INFORMATION UPDATES ON THE PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company's announcements dated 16 May 2018, 17 May 2018 and 4 June 2018, where the Company has entered into the Strategic Cooperation Framework Agreement with the Jiangxi Government to establish long-term strategic cooperation relationship between the Group and Jiangxi Government aiming to promote the development of pharmaceutical industry in Jiangxi. Pursuant to the Strategic Cooperation Framework Agreement, the Company and Jiangxi Government propose to restructure the Jiangzhong Group whereby the Company will acquire the controlling stake in Jiangzhong Group.

The proposed strategic cooperation and the Proposed Acquisition are subject to finalisation of terms, obtaining of various PRC governmental approvals and compliance with applicable laws, regulations and stock exchange rules (including Hong Kong Listing Rules and/or SSE Listing Rules). Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

INTRODUCTION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SHARE SUBSCRIPTION AGREEMENT

CR Pharmaceutical Holdings has entered into the Share Subscription Agreement with the existing shareholders of Jiangzhong Group for the subscription of the shares of Jiangzhong Group.

The Share Subscription Agreement will become effective upon the later of the following: (1) the Share Subscription Agreement having been executed; (2) the board approval of the Company and the internal approval of China Resources (Holdings) Company Limited having been obtained; (3) the shareholders approval of Jiangzhong Group having been obtained; (4) the approval of Jiangxi Government and Jiangxi SASAC having been obtained; and (5) the approval of SASAC having been obtained.

INFORMATION OF JIANGZHONG GROUP

Jiangzhong Group is a large-scale pharmaceutical enterprise specialized in traditional Chinese medicine. Jiangzhong Group controls 43.03% shareholding interest in Jiangzhong Pharmaceutical, a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 600750). Jiangzhong Group is indirectly owned by the Jiangxi SASAC as to 41.54% of its equity interest.

The Proposed Acquisition is subject to finalisation of terms, obtaining of various PRC governmental approvals and compliance with applicable laws, regulations and stock exchange rules (including Hong Kong Listing Rules and/or SSE Listing Rules). Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Company”	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 3320);
“CR Pharmaceutical Holdings”	China Resources Pharmaceutical Holdings Company Limited (華潤醫藥控股有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Jiangzhong Group”	Jiangxi Jiangzhong Pharmaceutical (Group) Co, Ltd. (江西江中製藥(集團)有限責任公司), the controlling shareholder of Jiangzhong Pharmaceutical;
“Jiangxi Government”	People’s Government of Jiangxi Province;
“Jiangxi SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Jiangxi Province (江西省人民政府國有資產監督管理委員會);
“Jiangzhong Pharmaceutical”	Jiangzhong Pharmaceutical Co, Ltd. (江中藥業股份有限公司), a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600750);

“Proposed Acquisition”	the proposed acquisition of the controlling stake in Jiangzhong Group by the Company;
“SASAC”	The State-owned Assets Supervision and Administration Commission of the State Council of the PRC (國務院國有資產監督管理委員會);
“Share Subscription Agreement”	the share subscription framework agreement entered into between CR Pharmaceutical Holdings and the existing shareholders of Jiangzhong Group;
“Shareholder(s)”	shareholder(s) of the Company;
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, as amended from time to time; and
“Strategic Cooperation Framework Agreement”	the strategic cooperation framework agreement entered into between the Company and Jiangxi Government on 17 May 2018.

For and on behalf of
China Resources Pharmaceutical Group Limited
WANG Chuncheng
Executive Director

Hong Kong, 3 August 2018

As of the date of this announcement, the Board of Directors of the Company comprises Mr. FU Yuning as chairman and non-executive Director, Mr. WANG Chuncheng, Mr. SONG Qing and Mr. LI Guohui as executive Directors, Mr. CHEN Rong, Mr. YU Zhongliang, Mr. WANG Shouye and Mr. LU 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.