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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
STRATEGIC COOPERATION FRAMEWORK AGREEMENT
AND
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).

The Company and Jiangxi Government are in discussion of the proposed formation of a strategic cooperation framework agreement to establish long-term strategic cooperation relationship aiming to promote the development of pharmaceutical industry in Jiangxi. As part of the strategic cooperation, the Company and Jiangxi Government contemplate to restructure the Jiangzhong Group whereby the Company will acquire the controlling stake in Jiangzhong Group.

The proposed strategic cooperation framework agreement and the Proposed Acquisition is subject to finalisation of terms, obtaining 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 securities 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).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Company and Jiangxi Government are in discussion of the proposed formation of a strategic cooperation framework agreement to establish long-term strategic cooperation relationship.

The Company and Jiangxi Government contemplate to leverage on the strength of each side, consolidate resources and build stable strategic relationship and cooperation mechanism aiming to promote the development of pharmaceutical industry in Jiangxi.

PROPOSED ACQUISITION

As part of the strategic cooperation, the Company and Jiangxi Government contemplate to restructure the Jiangzhong Group whereby the Company will acquire the controlling stake in Jiangzhong Group. The detail restructuring plan of Jiangzhong Group remains to be further discussed and agreed between the Company and Jiangxi Government and appropriate corporation actions will be taken by the Company when the restructuring plan is finalized and binding agreements are executed.

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.

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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
“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 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
“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)
“Jiangxi Government”	People’s Government of Jiangxi Province
“Jiangxi SASAC”	State-owned Assets Supervision and Administration Commission of Jiangxi Provincial Government (江西省人民政府國有資產監督管理委員會)

“Proposed Acquisition”	the proposed acquisition of a majority stake in Jiangzhong Group by the Company
“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

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

Hong Kong, 16 May 2018

As of the date of this announcement, the Board 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 Chenyang and Ms. WANG Jing 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.