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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)

VOLUNTARY ANNOUNCEMENT

FRAMEWORK AGREEMENT BETWEEN CR SANJIU AND SANOFI REGARDING COOPERATION IN THE CONSUMER HEALTHCARE MARKET IN CHINA

This is a voluntary announcement made by the Company.

On 2 December 2016, CR Sanjiu issued an announcement on the website of the Shenzhen Stock Exchange in relation to the entering into of the Framework Agreement with Sanofi, pursuant to which the parties agreed to establish a strategic partnership to jointly explore the opportunities in the consumer healthcare market in China.

The strategic partnership involves the formation of the JV Company which will focus initially on pediatric and gynecological OTC products. CR Sanjiu (and/or its related parties) will also be engaged in the distribution and promotion of certain specific products of Essentiale, one of Sanofi's flagship OTC Brands, in China on an exclusive basis. The partnership will serve as a platform for the launch of other consumer healthcare products of Sanofi in China in the future.

The Company believes that the strategic partnership between CR Sanjiu and Sanofi is in line with the Group's development strategy and provides a valuable opportunity to leverage the respective strengths and resources of the Group and Sanofi. The partnership is expected to facilitate the establishment of a multifaceted platform for pediatric and gynecological products by the Group, and enable the continuous introduction of globally recognised healthcare brands into China.

This is a voluntary announcement made by China Resources Pharmaceutical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**").

FRAMEWORK AGREEMENT

On 2 December 2016, China Resources Sanjiu Medical & Pharmaceutical Company Limited (華潤三九醫藥股份有限公司) ("**CR Sanjiu**"), an A-share listed indirect non-wholly owned subsidiary of the Company, issued an announcement on the website of the Shenzhen Stock Exchange in relation to the entering into of a framework agreement (the "**Framework Agreement**") with Sanofi, pursuant to which the parties agreed to establish a strategic partnership to jointly explore the opportunities in the consumer healthcare market in China.

The strategic partnership involves the cooperation between CR Sanjiu and Sanofi through the following means:

1. formation of a joint venture company (the "**JV Company**") in China through the entering into of a separate joint venture agreement (the "**JV Agreement**") between CR Sanjiu and Sunstone China Limited (太陽石中國有限公司) ("**Sunstone China**"), a Hong Kong-incorporated wholly-owned subsidiary of Sanofi, and subsequent injection of China Resources Sanjiu (Beijing) Pharmaceutical Co., Ltd. (華潤三九(北京)藥業有限公司) ("**CR Sanjiu (Beijing)**"), a wholly-owned subsidiary of CR Sanjiu, and Sunstone (Tangshan) Pharmaceutical Company Limited (太陽石(唐山)藥業有限公司) ("**Sunstone (Tangshan)**"), a wholly-owned subsidiary of Sunstone China, into the JV Company;
2. arrangements for CR Sanjiu (and/or its related parties) to distribute and promote certain specific products of Essentiale, one of Sanofi's flagship over-the-counter ("**OTC**") brands for liver health, in China on an exclusive basis; and

3. cooperation for CR Sanjiu (and/or its related parties) to distribute and promote other consumer healthcare products of Sanofi to be introduced into China in the future by virtue of a right of first negotiation granted to CR Sanjiu.

To the best of the information and belief of the Directors of the Company, and having made all reasonable enquiries, Sanofi is an independent third party of the Company.

Formation of joint venture

Pursuant to the JV Agreement, CR Sanjiu and Sunstone China agreed to establish the JV Company in China, with CR Sanjiu and Sunstone China contributing 70% and 30%, respectively, of the initial registered capital of the JV Company.

CR Sanjiu will transfer its 100% interest in CR Sanjiu (Beijing) to the JV Company and Sunstone China will transfer its 100% interest in Sunstone (Tangshan) to the JV Company. The respective percentage of equity interest of CR Sanjiu and Sunstone China in the JV Company will remain as 70% and 30% after such transfers. The JV Company will be accounted for as a subsidiary of the Company. CR Sanjiu (Beijing) and Sunstone (Tangshan) will become wholly-owned subsidiaries of the JV Company where, in turn, Sunstone (Tangshan) will become a subsidiary of the Company, and CR Sanjiu (Beijing) will continue to be a subsidiary of the Company.

The JV Company will serve as the platform for the continued operation of the businesses of CR Sanjiu (Beijing) and Sunstone (Tangshan), focusing initially in the areas of pediatric and gynecological OTC products. CR Sanjiu and Sanofi will regularly assess the operations of the JV Company and, if necessary, adjust or expand the product offerings and scale of business of the JV Company as appropriate.

To the best of the information and belief of the Directors of the Company, and having made all reasonable enquiries, Sunstone China is an independent third party of the Company.

Distribution and promotion of Essentiale

Pursuant to the Framework Agreement, the parties agreed that separate agreement(s) will be entered into to enable CR Sanjiu (and/or its related parties) to distribute and promote certain specific products of Essentiale, one of Sanofi's flagship OTC brands for liver health, in China on an exclusive basis for a period of 10 years.

Future cooperation

Pursuant to the Framework Agreement, Sanofi granted a right of first negotiation to CR Sanjiu in respect of the distribution and promotion of products under certain consumer healthcare brands of Sanofi which might potentially be introduced into China in the future. Those brands include brands such as Lactacyd, Nature's Own and Icy Hot and others in the areas of allergy, digestive health and coughs and colds. The right of first negotiation will expire on the tenth anniversary of the Framework Agreement.

INFORMATION ON THE GROUP AND CR SANJIU

The Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

CR Sanjiu is an indirect non-wholly owned subsidiary of the Company established in China. Its shares are listed on the Shenzhen Stock Exchange (stock code: 000999). The core business of CR Sanjiu encompasses research and development, manufacturing, sales and other healthcare-related services of pharmaceutical products. CR Sanjiu is devoted to become a "leader for self-treatment", and its major areas of business development include pediatrics, gynecology and liver medication.

INFORMATION ON SANOFI

Sanofi, a global healthcare leader, discovers, develops and distributes therapeutic solutions focused on patients' needs. Sanofi is organised into five global business units: Diabetes and Cardiovascular, General Medicines and Emerging Markets, Sanofi Genzyme, Sanofi Pasteur and Merial. Sanofi is listed in Paris (EURONEXT:SAN) and in New York (NYSE:SNY).

In 1982, Sanofi opened its first office in China. Sanofi China has a diversified business that ranges from pharmaceuticals, vaccines, consumer healthcare and rare diseases (Genzyme) to animal health (Merial). Sanofi's China headquarters in Shanghai is supported by 11 branches in Beijing, Tianjin, Shenyang, Shanghai, Hangzhou, Nanjing, Wuhan, Chengdu, Guangzhou, Jinan and Urumqi. As of 2015, Sanofi had more than 9,000 employees in China.

REASONS FOR AND BENEFITS OF THE STRATEGIC PARTNERSHIP

The Company believes that the strategic partnership between CR Sanjiu and Sanofi is in line with the Group's development strategy and provides a valuable opportunity to leverage the respective strengths and resources of the Group and Sanofi. The partnership is expected to facilitate the establishment of a multifaceted platform for pediatric and gynecological products by the Group, and enable the continuous introduction of globally recognised healthcare brands into China.

In particular, Sanofi's brands of “好娃娃” (Goodbaby) and “康婦特” (Conforte) could complement the existing pediatric and gynecological businesses of CR Sanjiu, thereby allowing CR Sanjiu to offer more comprehensive product portfolios under the well-recognised brands to the consumers. The role of CR Sanjiu (and/or its related parties) as the exclusive distributor and promotor of Essentiale in China could solidify the positioning of the Group and Sanofi in the area of digestive health, and bring mutual benefits to the Group and Sanofi. The partnership is also expected to realise synergy with the existing integrated business model of the Group which, in turn, allow resources sharing and enable the Group and Sanofi to benefit from the coordinated sales efforts.

LISTING RULES IMPLICATIONS

As the JV Company will only have minimal capital at the time of its establishment, the formation of the JV Company does not constitute a notifiable transaction for the Company.

The transfer by CR Sanjiu of its 100% interest in CR Sanjiu (Beijing) to the JV Company constitutes a deemed disposal of a subsidiary by the Company under Rule 14.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The transfer by Sunstone China of its 100% interest in Sunstone (Tangshan) to the JV Company constitutes an acquisition by the Company under Chapter 14 of the Listing Rules.

As each of the applicable percentage ratios for the transactions contemplated under the Framework Agreement does not exceed 5% under Rule 14.07 of the Listing Rules, such transactions do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis for the information of the shareholders and potential investors of the Company.

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

Hong Kong, 2 December 2016

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 Chenyang and Ms. Wang Jing as non-executive Directors, Mr. Tsang Hing Lun, Mr. Kwok Kin Fun, Mr. Fu Tingmei and Mr. Zhang Kejian as independent non-executive Directors.