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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)

**DISCLOSEABLE TRANSACTION
AND CONNECTED TRANSACTION
COMPLETION OF THE PROPOSED INCREASE
IN REGISTERED CAPITAL
BY CR PHARMACEUTICAL COMMERCIAL**

References are made to the announcements made by China Resources Pharmaceutical Group Limited (the “**Company**”) on 30 October 2023, 27 November 2023 and 28 December 2023 (the “**Announcements**”) in relation to the proposed increase in registered capital by China Resources Pharmaceutical Commercial Group Company Limited (“**CR Pharmaceutical Commercial**”), a subsidiary of the Company. Unless otherwise defined, capitalised terms shall have the same meaning as those defined in the Announcements.

As disclosed in the Announcement, the Consideration for the Proposed Subscription shall be RMB6.26 billion (equivalent to approximately HK\$6.89 billion) pursuant to the terms of the Subscription Agreement. Pursuant to the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (《企業國有資產交易監督管理辦法》), an independent valuer was engaged to conduct an asset appraisal of CR Pharmaceutical Commercial (the “**Appraisal**”) with a valuation base date of 31 December 2022. The Appraisal result was arrived at by using market approach with reference to a list of market comparables in the PRC pharmaceutical distribution industry which are comparable to that of CR Pharmaceutical Commercial, which were mainly A-share listed pharmaceutical distributors listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and were selected having considered factors including, without limitation, their nature of principal business, business model and scale of operations, scope and type of assets, prospects, and financial and operational risks faced by them.

During the Bidding Process, bidding prices were offered by each of the Subscribers, which were determined according to their assessment of CR Pharmaceutical Commercial and their internal decision-making procedures based on publicly available information and due diligence conducted by them, and such bidding prices were submitted to the CBEX in accordance with the relevant public bidding rules of the CBEX. The Consideration for the Proposed Subscription was determined in compliance with the relevant CBEX rules and upon arms' length negotiation between CR Pharmaceutical Commercial and the Subscribers, having considered factors, including (without limitation) the historical financial performance and position of CR Pharmaceutical Commercial and its expected prospects, the market outlook of the PRC pharmaceutical distribution industry, the background of the Subscribers, and the expected business synergies between the Subscribers and CR Pharmaceutical Commercial. As disclosed in the Announcement, the Consideration shall not be lower than the Appraisal result as filed with CRC in accordance with the applicable PRC laws and regulations.

COMPLETION OF THE PROPOSED INCREASE IN REGISTERED CAPITAL AND THE PROPOSED SUBSCRIPTION

The Board is pleased to announce that the Consideration for the Proposed Subscription has been fully paid by each of the Subscribers. Accordingly, on 5 January 2024, the Proposed Increase in Registered Capital by CR Pharmaceutical Commercial and the Proposed Subscription by the Subscribers have been completed pursuant to the terms and conditions of the Subscription Agreement (the “**Completion**”).

Upon Completion, Beijing Pharmaceutical and CR Pharmaceutical Investment in aggregate hold approximately 80.13% in CR Pharmaceutical Commercial, and CR Pharmaceutical Commercial is accounted for as a non-wholly-owned subsidiary of the Company.

By order of the Board

China Resources Pharmaceutical Group Limited

Han Yuewei

Chairman

Shenzhen, 5 January 2024

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. Deng Rong as executive Directors, Mdm. Guo Wei, Mr. Sun Yongqiang, 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.