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China Resources Medical Holdings Company Limited

華潤醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1515)

CONTINUING CONNECTED TRANSACTIONS

1. FRAMEWORK AGREEMENT IN RELATION TO THE ACQUISITION OF INFORMATION TECHNOLOGY SERVICES PROVIDED BY CONNECTED PARTY;

2. FRAMEWORK AGREEMENT IN RELATION TO THE PROVISION OF SUPPLY CHAIN MANAGEMENT SERVICES TO CONNECTED PARTY;

AND

3. FRAMEWORK AGREEMENT IN RELATION TO THE ACQUISITION OF LOGISTICS SERVICES PROVIDED BY CONNECTED PARTY

CONTINUING CONNECTED TRANSACTION – ACQUISITION OF INFORMATION TECHNOLOGY SERVICES PROVIDED BY CONNECTED PARTY

Reference is made to the announcement of the Company dated January 11, 2023 in relation to the entering into of the 2023 IT Services Annual Agreement by CR Hospital Management (a wholly-owned subsidiary of the Company) and CR Digital (a wholly-owned subsidiary of CRC) (for the term from January 1, 2023 to December 31, 2023) and the transactions contemplated thereunder. The Board is pleased to announce that on February 8, 2024, CR Hospital Investment (a wholly-owned subsidiary of the Company) and CR Digital entered into the 2024 IT Services Annual Agreement, pursuant to which the CR Digital Group shall provide the relevant information technology services to the Group and its Sponsored Hospitals, for the term from January 1, 2024 to December 31, 2024. The annual cap for the year ending December 31, 2024 under the 2024 IT Services Annual Agreement is RMB34 million.

CONTINUING CONNECTED TRANSACTION – PROVISION OF SUPPLY CHAIN MANAGEMENT SERVICES TO CONNECTED PARTY

The Board also announces that on February 8, 2024, the Company and CR Healthcare entered into the Supply Chain Management Services Framework Agreement, pursuant to which the Group shall provide supply chain management services to the hospitals of CR Healthcare (excluding the hospitals of the Group) for a term from January 1, 2024 to December 31, 2025. The annual caps for the years ending December 31, 2024 and December 31, 2025 under the Supply Chain Management Services Framework Agreement are RMB65 million and RMB100 million, respectively.

CONTINUING CONNECTED TRANSACTION – ACQUISITION OF LOGISTICS SERVICES PROVIDED BY CONNECTED PARTY

The Board also announces that on February 8, 2024, WRYK (a wholly-owned subsidiary of the Company) and CR Pharmaceutical Commercial entered into the Logistics Services Framework Agreement, pursuant to which the CR Pharmaceutical Commercial Group shall provide logistics services to the Group, for a term from January 1, 2024 to December 31, 2026. The annual caps for the years ending December 31, 2024, December 31, 2025 and December 31, 2026 under the Logistics Services Framework Agreement are RMB5 million, RMB8 million and RMB12 million, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CRC is the holding company of CR Holdings (a controlling shareholder of the Company) and indirectly holds the entire equity interests in CR Digital. Hence, CR Digital is a connected person of the Company. Accordingly, the 2024 IT Services Annual Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the corresponding annual cap under the 2024 IT Services Annual Agreement exceed 0.1% but all of them are less than 5%, the transactions contemplated under the 2024 IT Services Annual Agreement and the corresponding annual cap are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, CR Healthcare indirectly holds approximately 35.76% equity interests in the Company and is indirectly wholly-owned by CRC, a controlling shareholder of the Company. As such, CR Healthcare is a connected person of the Company. Accordingly, the Supply Chain Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the corresponding annual caps under the Supply Chain Management Services Framework Agreement exceed 0.1%, but all of them are less than 5%, the transactions contemplated under the Supply Chain Management Services Framework Agreement and the corresponding annual caps are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, CR Pharmaceutical Commercial is a subsidiary owned as to approximately 80.13% by CR Pharmaceutical, and CR Pharmaceutical is indirectly owned as to approximately 53.05% by CRC, a controlling shareholder of the Company. As such, CR Pharmaceutical Commercial is a connected person of the Company. Accordingly, the Logistics Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the corresponding annual caps under the Logistics Services Framework Agreement exceed 0.1%, but all of them are less than 5%, the transactions contemplated under the Logistics Services Framework Agreement and the corresponding annual caps are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

1. CONTINUING CONNECTED TRANSACTION – ACQUISITION OF INFORMATION TECHNOLOGY SERVICES PROVIDED BY CONNECTED PARTY

Reference is made to the announcement of the Company dated January 11, 2023 in relation to the entering into of the 2023 IT Services Annual Agreement by CR Hospital Management (a wholly-owned subsidiary of the Company) and CR Digital (a wholly-owned subsidiary of CRC) (for the term from January 1, 2023 to December 31, 2023) and the transactions contemplated thereunder. The Board is pleased to announce that on February 8, 2024, CR Hospital Investment (a wholly-owned subsidiary of the Company) and CR Digital entered into the 2024 IT Services Annual Agreement, pursuant to which the CR Digital Group shall provide the relevant information technology services to the Group and its Sponsored Hospitals, for the term from January 1, 2024 to December 31, 2024.

2024 IT Services Annual Agreement

The major terms of the 2024 IT Services Annual Agreement are set out as follows:

Date: February 8, 2024

Parties: 1. CR Hospital Investment; and
2. CR Digital (as service provider)

Term: From January 1, 2024 to December 31, 2024.

Scope of services: The CR Digital Group shall provide information technology services to the Group and its Sponsored Hospitals during the term of the agreement, including information technology operation and maintenance services and project-based information technology services.

Service fees
and payment
arrangement:

The Group and its Sponsored Hospitals shall pay service fees to the CR Digital Group for the information technology services based on the pricing of each specific service as agreed by both parties. The service fees shall be calculated by multiplying the actual volume of services with the unit price of the corresponding services. In order to determine the unit price of specific categories of services, the intelligence and digitalization department of the Group shall gather information of the prevailing price of similar services in the open market as the reference price. The parties shall then determine the unit price with reference to the reference price as well as the development costs, operating costs, nature and scale of the relevant information technology systems/projects, subject to mutual negotiation and corresponding adjustments in line with the applicable market practice, to ensure that the price is no less favorable to the Group and its Sponsored Hospitals than the price offered by independent third-party suppliers for similar services and that the price is determined after arm's length negotiation between the parties on normal commercial terms. Payment arrangements for specific transactions will be negotiated and determined separately in each formal service agreement in accordance with the principles laid down in the 2024 IT Services Annual Agreement.

The above service fees are determined after arm's length negotiation between the parties on normal commercial terms taking into account the following factors: (1) nature and relevant standard of the services provided; (2) budgeted costs of the relevant services; (3) prevailing price of similar services in the open market; and (4) the premise that the price shall be no less favorable to the Group and its Sponsored Hospitals than the price offered by independent third-party suppliers for similar services.

Annual cap under the 2024 IT Services Annual Agreement and basis of determination

The corresponding annual cap of the information technology services to be provided by the CR Digital Group to the Group and its Sponsored Hospitals under the 2024 IT Services Annual Agreement for the financial year ending December 31, 2024, which constitute continuing connected transactions of the Company, is RMB34 million.

The above annual cap is determined with reference to: (1) the historical transaction amounts; (2) the expected growth of the Group's hospital services business; (3) the demand for information technology services of the newly acquired medical institutions of the Group; and (4) the scale of the medical institutions which have already been merged into the Group in 2023 as well as the expected expansion of the hospital network of the Group in the future. The historical transaction amount for the provision of information technology services by the CR Digital Group to the Group and its Sponsored Hospitals under the 2023 IT Services Annual Agreement (which were conducted on normal commercial terms or better) for the year ended December 31, 2023 amounted to approximately RMB14.34 million (unaudited). From January 1, 2024 up to the date of this announcement, the service fees have been accrued for the information technology services provided by the CR Digital Group to the Group and its Sponsored Hospitals is approximately RMB0.5897 million.

Reasons for and benefits of entering into the 2024 IT Services Annual Agreement

The Group and its Sponsored Hospitals require certain types of information technology services in the course of their daily business operations. The entering into of a fixed term information technology services agreement with the CR Digital Group is considered beneficial to the Group and its Sponsored Hospitals as it allow the Group and its Sponsored Hospitals to acquire stable and efficient information technology services at reasonable costs, thereby enhancing the efficiency of the daily operations of the Group and its Sponsored Hospitals and lowering their management costs.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the 2024 IT Services Annual Agreement is entered into on normal commercial terms or better in the ordinary and usual course of business of the Group. The terms of the 2024 IT Services Annual Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. None of the Directors is considered to have any material interest in the 2024 IT Services Annual Agreement. As part of good corporate governance measures, Mr. SONG Qing, Mr. YU Hai, Mr. SHAN Baojie and Ms. YANG Min, the executive Directors, and Ms. GE Lu, the non-executive Director, have abstained from voting on the relevant Board resolution(s), as they serve as senior management in CR Holdings and/or CR Healthcare.

2. CONTINUING CONNECTED TRANSACTION – PROVISION OF SUPPLY CHAIN MANAGEMENT SERVICES TO CONNECTED PARTY

The Board also announces that on February 8, 2024, the Company and CR Healthcare entered into the Supply Chain Management Services Framework Agreement, pursuant to which the Group shall provide supply chain management services to the hospitals of CR Healthcare (excluding the hospitals of the Group) for a term from January 1, 2024 to December 31, 2025.

Supply Chain Management Services Framework Agreement

The major terms of the Supply Chain Management Services Framework Agreement are set out as follows:

Date: February 8, 2024

Parties:

1. The Company (as service provider); and
2. CR Healthcare

Term: From January 1, 2024 to December 31, 2025.

Scope of services: The Group shall provide the hospitals of CR Healthcare (excluding the hospitals of the Group) with integrated and jointly established supply chain management services of medical supplies which include establishing regional supply chain management platforms of medical supplies in specific regions and streamlining supply chain management mechanism and procedures of medical supplies, based on the operational management, business and other conditions of the hospitals of CR Healthcare (excluding the hospitals of the Group), in order to assist CR Healthcare in improving the efficiency and reducing the costs of supply management of medical supplies.

Service fees and payment arrangement: CR Healthcare Group shall pay management service fees to the Group for the provision of supply chain management services. The relevant fee is calculated by multiplying the management service fee rate by the scale of supply chain management services provided to CR Healthcare Group in agreed areas within a specified period of time or scope.

The contract parties shall determine the abovementioned scale of supply chain management services based on the following factors: (1) the specific cooperation regions or the scope of specific medical institutions; (2) the expected volume of the corresponding annual supply of medical supplies; and (3) the nature of the geographic area where specific management services are provided.

In respect of the management service fee rates for the supply chain management services, the contract parties shall determine specific fee rates via arm's length negotiation and on normal commercial terms and with reference to the service fee rates charged by the Group to third-party customers for equivalent service scope, service content and service conditions, and the specifications of expected medical supplies and the number of brands involved, the expected complexity of medical supplies management and the expected quality of the management services (i.e. the expected results of supply management including timely arrival rate, quality passing rate and cost control effect, etc.).

Separate agreements will be entered into by the contract parties in respect of specific supply chain management services pursuant to the Supply Chain Management Services Framework Agreement, in which management service fee rates shall be determined on a case-by-case basis taking into account the factors mentioned above. The corresponding payment terms shall also be separately negotiated and determined in each formal service agreement in accordance with the principles laid down in the Supply Chain Management Services Framework Agreement.

Annual cap under the Supply Chain Management Services Framework Agreement and basis of determination

The table below sets out the annual caps under the Supply Chain Management Services Framework Agreement for the two financial years ending December 31, 2025.

	Financial year ending	
	December 31,	
	2024	2025
	<i>(RMB)</i>	<i>(RMB)</i>
Annual Cap	65 million	100 million

The annual caps under the Supply Chain Management Services Framework Agreement are determined with reference to, among other things, the following factors: (1) the expected volume of the corresponding annual supply of medical supplies; and (2) the expected growth of the scale of cooperation between the parties in years 2024 and 2025.

The medical supplies procurement arrangements in specific cooperation areas jointly established by the contracting parties in respect of the supply chain are determined by the results of the bidding conducted in accordance with the requirements of applicable laws and regulations. As of the date of this announcement, no service fees have been accrued for the supply chain management services provided by the Group to the hospitals of CR Healthcare (excluding the hospitals of the Group) in accordance with the Supply Chain Management Service Framework Agreement.

Reasons for and benefits of entering into the Supply Chain Management Services Framework Agreement

The entering into of the Supply Chain Management Services Framework Agreement shall establish long-term, stable and satisfactory business support and strategic cooperation relationship between the contract parties and is also expected to help improve the efficiency of the supply management of medical supplies of the hospitals and medical institutions of CR Healthcare in the cooperation areas, and reduce the associated supply management costs. The Group shall also receive management service fees from the hospitals of CR Healthcare (excluding the hospitals of the Group) in respect of the supply chain management services accordingly.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the Supply Chain Management Services Framework Agreement is entered into on normal commercial terms or better in the ordinary and usual course of business of the Group. The terms of the Supply Chain Management Services Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. None of the Directors is considered to have any material interest in the Supply Chain Management Services Framework Agreement. As part of good corporate governance measures, Mr. SONG Qing, Mr. YU Hai, Mr. SHAN Baojie and Ms. YANG Min, the executive Directors, and Ms. GE Lu, the non-executive Director, have abstained from voting on the relevant Board resolution(s), as they serve as senior management in CR Holdings and/or CR Healthcare.

3. CONTINUING CONNECTED TRANSACTION – ACQUISITION OF LOGISTICS SERVICES PROVIDED BY CONNECTED PARTY

The Board also announces that on February 8, 2024, WRYK (a wholly-owned subsidiary of the Company) and CR Pharmaceutical Commercial entered into the Logistics Services Framework Agreement, pursuant to which the CR Pharmaceutical Commercial Group shall provide logistics services to the Group, for a term from January 1, 2024 to December 31, 2026.

Logistics Services Framework Agreement

The major terms of the Logistics Services Framework Agreement are set out as follows:

Date: February 8, 2024

Parties: 1. WRYK; and
2. CR Pharmaceutical Commercial (as service provider)

Term: From January 1, 2024 to December 31, 2026.

Scope of services: The CR Pharmaceutical Commercial Group will provide WRYK with warehousing and distribution services for medical supplies based on the operational management, business and other conditions of the latter. Such services include provision to WRYK the medical supplies storage, transportation, distribution services, etc. within specific geographical areas, in order to assist WRYK in improving the efficiency and reducing the costs of supply of medical supplies.

Service fees and payment arrangement: WRYK shall pay logistics service fees to CR Pharmaceutical Commercial Group in respect of the logistics services under the Logistics Services Framework Agreement, which is calculated on the basis of the scale of logistics services to be provided by CR Pharmaceutical Commercial Group to WRYK in agreed areas within a specified period of time or scope, multiplied by the logistics service fee rate.

The contract parties shall determine the abovementioned scale of logistics services based on the following factors: (1) the specific cooperation regions or the scope of specific medical institutions; (2) the expected volume of the corresponding annual supply of medical supplies; and (3) the nature of the geographic area where specific logistics services are provided.

In respect of the fee rate of the relevant logistics service, the contracting parties shall determine the specific service fee rate via arm's length negotiations between the parties and on normal commercial terms, and with reference to the service rates charged by CR Pharmaceutical Commercial Group to independent third-party customers for equivalent service scope, service type, service conditions and logistics service quality, and the price of comparable services offered by the independent third-party service providers to WRYK.

Save as the abovementioned service fees, if other fees related to logistics services are incurred, the service fee rate shall be determined by both parties via arm's length negotiation according to normal commercial terms and settled according to actual occurrence. The payment arrangements for specific transactions shall be negotiated and determined separately in each formal service agreement in accordance with the principles laid down in the Logistics Services Framework Agreement.

Annual cap under to the Logistics Services Framework Agreement and basis of determination

The table below sets out the annual caps under the Logistics Services Framework Agreement for the three financial years ending December 31, 2026.

	Financial year ending December 31,		
	2024	2025	2026
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Annual Cap	5 million	8 million	12 million

As of the date of this announcement, no transaction amount has been accrued under the Logistics Service Framework Agreement.

The above mentioned annual caps are determined with reference to, among others, the following factors: (1) the estimated annual distribution volume of medical supplies of the Group; and (2) the expected growth in the scale of cooperation between the contracting parties from 2024 to 2026.

Reasons for and benefits of entering into the Logistics Services Framework Agreement

The entering into of the Logistics Services Framework Agreement shall allow WRYK to acquire and use the logistics services provided by the CR Pharmaceutical Commercial Group. The relevant services include the provision of storage, transportation and distribution of medical supplies in specific areas, which is expected to improve the efficiency and reduce the costs of supply of medical supplies of the Group.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the Logistics Services Framework Agreement is entered into on normal commercial terms or better in the ordinary and usual course of business of the Group. The terms of the Logistics Services Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. None of the Directors is considered to have any material interest in the Logistics Services Framework Agreement. As part of good corporate governance measures, Mr. SONG Qing, Mr. YU Hai, Mr. SHAN Baojie and Ms. YANG Min, the executive Directors, and Ms. GE Lu, the non-executive Director, have abstained from voting on the relevant Board resolution(s), as they serve as senior management in CR Holdings and/or CR Healthcare.

4. INTERNAL CONTROL MEASURES

The Group has implemented internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department for monitoring the annual caps of the relevant transactions. In addition, the Company's auditors and independent non-executive Directors will conduct annual review of the transactions contemplated under the Framework Agreements and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the Framework Agreements, on normal commercial terms, in the interest of the Company and its Shareholders as a whole, and in accordance with the relevant pricing policies.

5. GENERAL INFORMATION

CRC

CRC, a company established in the PRC with limited liability, a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council in the PRC and is the ultimate beneficiary owner of CR Digital, CR Healthcare, CR Pharmaceutical and the Company. CRC is the holding company of CR Holdings and is a conglomerate which operates a variety of businesses in the PRC including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

CR Digital Group

CR Digital is a company established in the PRC with limited liability and is ultimately owned by CRC. The CR Digital Group is principally engaged in smart technology empowerment services, cloud computing services, management and business informationalisation consultancy and implementation services, general operational services and other innovative product incubation services in the PRC.

CR Healthcare Group

CR Healthcare is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by CRC, a controlling shareholder of the Company. CR Healthcare Group is principally engaged in hospital medical services and hospital management business in the PRC.

CR Pharmaceutical Group and CR Pharmaceutical Commercial Group

CR Pharmaceutical is a company incorporated in Hong Kong with limited liability and is indirectly owned as to approximately 53.05% by CRC, a controlling shareholder of the Company as at the date of this announcement. CR Pharmaceutical Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

CR Pharmaceutical Commercial is owned as to approximately 80.13% by CR Pharmaceutical as at the date of this announcement. The CR Pharmaceutical Commercial Group is principally engaged in sales and marketing and distribution of pharmaceutical products, and provision of pharmaceutical supply chain solution services. The other shareholders of CR Pharmaceutical Commercial are all independent third parties of the Company, and among which each of 中建信金融資產投資有限公司 (CCB Financial Asset Investment Co., Ltd.), 農銀金融資產投資有限公司 (ABC Financial Asset Investment Co., Ltd.), 工銀金融資產投資有限公司 (ICBC Financial Asset Investment Co., Ltd.), 交銀金融資產投資有限公司 (BOCOM Financial Asset Investment Co., Ltd.) is holding approximately 3.78% equity interests in CR Pharmaceutical Commercial, while 中銀金融資產投資有限公司 (BOC Financial Asset Investment Co., Ltd.) is holding approximately 3.44%, 北京國瑞中鑫股權投資基金(有限合夥) (Beijing Guorui Zhongxin Equity Investment Fund (Limited Partnership)) is holding approximately 0.57% and 北京人保健康養老產業投資基金(有限合夥) (Beijing PICC Health Pension Industry Investment Fund (Limited Partnership)) is holding approximately 0.76%.

The Group, CR Hospital Investment and WRYK

Headquartered in Beijing, the Group is mainly engaged in the provision of general healthcare services, hospital management services and group purchasing organisation business and other hospital-derived services in the PRC.

CR Hospital Investment is a wholly-owned subsidiary of the Company which is principally engaged in the provision of hospital investment management, and consulting services in respect of investment and corporate management.

WRYK is a wholly-owned subsidiary of the Company which is principally engaged in distribution of pharmaceuticals, medical consumables and medical devices.

6. LISTING RULES IMPLICATIONS

As at the date of this announcement, CRC is the holding company of CR Holdings (a controlling shareholder of the Company) and indirectly holds the entire equity interests in CR Digital. Hence, CR Digital is a connected person of the Company. Accordingly, the 2024 IT Services Annual Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the corresponding annual cap under the 2024 IT Services Annual Agreement exceed 0.1% but all of them are less than 5%, the transactions contemplated under the 2024 IT Services Annual Agreement and the corresponding annual cap are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, CR Healthcare indirectly holds approximately 35.76% equity interests in the Company and is indirectly wholly-owned by CRC, a controlling shareholder of the Company. As such, CR Healthcare is a connected person of the Company. Accordingly, the Supply Chain Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the corresponding annual caps under the Supply Chain Management Services Framework Agreement exceed 0.1%, but all of them are less than 5%, the transactions contemplated under the Supply Chain Management Services Framework Agreement and the corresponding annual caps are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, CR Pharmaceutical Commercial is a subsidiary owned as to approximately 80.13% by CR Pharmaceutical, and CR Pharmaceutical is indirectly owned as to approximately 53.05% by CRC, a controlling shareholder of the Company. As such, CR Pharmaceutical Commercial is a connected person of the Company. Accordingly, the Logistics Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the corresponding annual caps under the Logistics Services Framework Agreement exceed 0.1%, but all of them are less than 5%, the transactions contemplated under the Logistics Services Framework Agreement and the corresponding annual caps are subject to the reporting, announcement and annual review requirements but are exempt from the circular and the independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

7. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 IT Services Annual Agreement”	the information technology services annual agreement entered into between CR Hospital Management and CR Digital on January 11, 2023, pursuant to which the CR Digital Group should provide the relevant information technology services to the Group and its Sponsored Hospitals during the term thereof;
“2024 IT Services Annual Agreement”	the information technology services annual agreement entered into between CR Hospital Investment and CR Digital on February 8, 2024, pursuant to which the CR Digital Group shall provide the relevant information technology services to the Group and its Sponsored Hospitals during the term thereof;
“Board”	the board of Directors of the Company;

“Company”	China Resources Medical Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1515);
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“CRC”	China Resources Company Limited, a company established in the PRC with limited liability and a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council in the PRC. Please refer to the section headed “General Information” in this announcement for details;
“CR Digital”	華潤數科控股有限公司 (China Resources Digital Holdings Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CRC;
“CR Digital Group”	CR Digital together with its subsidiaries. Please refer to the section headed “General Information” in this announcement for details;
“CR Healthcare”	China Resources Healthcare Group Limited, a company incorporated in Hong Kong with limited liability. As at the date of this announcement, it indirectly holds approximately 35.76% equity interests in the Company and is indirectly wholly-owned by CRC;

“CR Healthcare Group”	CR Healthcare and its subsidiaries. Please refer to the section headed “General Information” in this announcement for details;
“CR Holdings”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability;
“CR Hospital Management”	華潤醫院管理諮詢有限公司 (China Resources Hospital Management & Consulting Co. Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“CR Hospital Investment”	華潤醫院投資(中國)有限公司 (China Resources Hospital Investment Co. Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. Please refer to the section headed “General Information” in this announcement for details;
“CR Pharmaceutical”	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 3320);
“CR Pharmaceutical Group”	CR Pharmaceutical and its subsidiaries. Please refer to the section headed “General Information” in this announcement for details;
“CR Pharmaceutical Commercial”	China Resources Pharmaceutical Commercial Group Company Limited, a company incorporated in the PRC with limited liability, which is a subsidiary owned as to approximately 80.13% by CR Pharmaceutical as at the date of this announcement;

“CR Pharmaceutical Commercial Group”	CR Pharmaceutical Commercial together with its subsidiaries. Please refer to the section headed “General Information” in this announcement for details;
“Directors”	the directors of the Company;
“Framework Agreements”	the 2024 IT Services Annual Agreement, the Supply Chain Management Services Framework Agreement and the Logistics Services Framework Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Logistics Services Framework Agreement”	the logistics services framework agreement entered into between WRYK and CR Pharmaceutical Commercial on February 8, 2024, pursuant to which the CR Pharmaceutical Commercial Group shall provide logistics services to the Group during the term thereof;
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.00025 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;

“Sponsored Hospital(s)”	the hospital(s) in the PRC whose sponsor is the Company or its subsidiar(ies);
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules;
“Supply Chain Management Services Framework Agreement”	the supply chain management services framework agreement entered into between the Company and CR Healthcare on February 8, 2024, pursuant to which the Group shall provide supply chain management services to to the hospitals of CR Healthcare (excluding the hospitals of the Group) during the term thereof;
“WRYK”	北京萬榮億康醫藥有限公司 (Beijing Wan Rong Yi Kang Medical Co. Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. Please refer to the section headed “General Information” in this announcement for details; and
“%”	percentage.

By order of the Board
China Resources Medical Holdings Company Limited
SONG Qing
Chairman

PRC, February 8, 2024

As at the date of this announcement, the Board comprises Mr. SONG Qing, Mr. YU Hai, Mr. SHAN Baojie and Ms. YANG Min as executive Directors; Ms. GE Lu as non-executive Director; Mr. WU Ting Yuk, Anthony, Mr. KWONG Kwok Kong, Mr. FU Tingmei and Mr. ZHOU Peng as independent non-executive Directors.

* For identification purpose only