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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)**

## **CONNECTED TRANSACTION SALE OF MEDICAL EQUIPMENT TO THE REHABILITATION HOSPITAL**

### **CONNECTED TRANSACTION — SALE OF MEDICAL EQUIPMENT TO THE REHABILITATION HOSPITAL**

Reference is made to the announcement of the Company dated March 12, 2021 in relation to the Group being appointed as the manager of the Rehabilitation Hospital. The Board is pleased to announce that on June 25, 2021, Yisheng Yongxin (a wholly-owned subsidiary of the Company), as vendor, and the Rehabilitation Hospital entered into the Medical Equipment Procurement Agreement, pursuant to which Yisheng Yongxin shall sell various medical equipment to the Rehabilitation Hospital for RMB13,374,600.00 (value-added tax inclusive).

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CR Holdings (a controlling shareholder of the Company) indirectly holds approximately 59.55% equity interests in CR Land (a company listed on the Stock Exchange, stock code: 1109). As such, the Rehabilitation Hospital (as an indirect wholly-owned subsidiary of CR Land) is a connected person of the Company. Accordingly, the Medical Equipment Procurement Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transaction amounts under the Medical Equipment Procurement Agreement exceed 0.1% but all of them are less than 5%, such transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

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### **MEDICAL EQUIPMENT PROCUREMENT AGREEMENT**

The major terms of the Medical Equipment Procurement Agreement are as follows:

Date: June 25, 2021

Parties: 1. The Rehabilitation Hospital (as purchaser); and  
2. Yisheng Yongxin (as vendor)

Medical equipment involved:

These include physiotherapy beds, different types of physical rehabilitation training equipment, swallowing therapy devices, gait analysis and balance testing systems, cognitive rehabilitation training software and other basic training equipment, etc. The purchase cost for the above equipment paid by Yisheng Yongxin was RMB12,516,976.10 (value-added tax inclusive). With reference to the general arrangements with third-party customers, Yisheng Yongxin shall also provide the relevant technical support and training to the Rehabilitation Hospital during the usage period of such equipment.

Consideration and settlement arrangement:

Yisheng Yongxin shall sell the above-mentioned medical equipment to the Rehabilitation Hospital pursuant to the Medical Equipment Procurement Agreement for RMB13,374,600.00 (value-added tax inclusive). The settlement arrangement of the consideration is as follows:

(1) The Rehabilitation Hospital shall pay 85% of the consideration of the relevant equipment upon delivery on site and passing the acceptance inspection;

- (2) The Rehabilitation Hospital shall pay 5% of the consideration of the relevant equipment upon completion of the installation process and acceptance inspection of the relevant documents;
- (3) The Rehabilitation Hospital shall pay 7% of the consideration of the relevant equipment upon completion of the settlement process and execution of the settlement statement by both parties; and
- (4) The Rehabilitation Hospital shall pay the remaining 3% of the consideration upon the expiry of the warranty period of the relevant equipment.

The above consideration was determined in line with the procurement policies and requirements of CR Land after arm's length negotiation between the parties on normal commercial terms taking into account the following factors: (1) the cost of procuring the relevant equipment by Yisheng Yongxin and the costs incurred for procuring the equipment and for this transaction; (2) reasonable return for conducting this kind of transactions; (3) with reference to the acquisition cost of the similar types of medical equipment by the member medical institutions of the Group; and (4) the operational needs of the Rehabilitation Hospital as managed by the Group.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE MEDICAL EQUIPMENT PROCUREMENT AGREEMENT**

Yisheng Yongxin is principally engaged in the sale of medical devices and medical robotics, repair works of medical devices, technical development and consultation services. The transactions contemplated under the Medical Equipment Procurement Agreement are part of the ordinary business of the Group, and this transaction is helpful for the development of the sales operation of Yisheng Yongxin. The management of the Rehabilitation Hospital has been entrusted to the Group since the signing of the relevant agreement in mid-March 2021. Through this transaction, Yisheng Yongxin guarantees the timely availability of the equipment required for hospital operation in response to the actual needs of the Rehabilitation Hospital. This can ensure that the relevant disciplines can be put into operation as quick as possible upon the opening of the Rehabilitation Hospital.

Taking into account the above factors, the Directors (including independent non-executive Directors) are of the view that the Medical Equipment Procurement 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 Medical Equipment Procurement 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 Medical Equipment Procurement Agreement. As part of good corporate governance measures, Mr. Song Qing, Mr. Cheng Libing and Ms. Ren Yuan, the executive Directors, and Mr. Wang Yan, the non-executive Director, have abstained from voting on the relevant Board resolutions, as they serve as senior management in CR Holdings.

## **GENERAL INFORMATION**

### **The Group and Yisheng Yongxin**

Headquartered in Beijing, the Group is mainly engaged in the provision of general hospital services, hospital management services and group purchasing organisation (i.e. GPO) business in the PRC. Yisheng Yongxin is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in the sale of medical devices and medical robotics, repair works of medical devices, technical development and consultation services.

### **CR Land and the Rehabilitation Hospital**

CR Land is incorporated in the Cayman Islands with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. As at the date of this announcement, approximately 59.55% of its issued shares are indirectly held by CR Holdings, which is in turn ultimately owned by China Resources Company Limited (a Chinese state-owned entity supervised by the State-owned Assets Supervision and Administration Commission of the State Council). CR Land is principally engaged in the development of properties for sale, property investment and management, hotel operations and the provision of construction, decoration and other property development related services in the PRC. The Rehabilitation Hospital is an indirect wholly-owned subsidiary of CR Land incorporated in the PRC and a for-profit hospital focusing on the rehabilitation specialty. The Rehabilitation Hospital situates in Wuxiang New District of Nanning City, which is a new district under the latest urban plan of Nanning City with Beibu Bay as its core area and with an expected population of approximately 1.5 million. The Rehabilitation Hospital has been built and operated by CR Land and its operation will be managed by the Group. The hospital will operate as a boutique rehabilitation hospital which will be based in Nanning and servicing the whole Guangxi Province. The Rehabilitation Hospital covers a site area of 13 mu and gross floor area of approximately 16,700 square meters. It is a for-profit rehabilitation hospital and, according to the plan, it will provide up to 430 beds with four disciplines, namely, rehabilitation, geriatrics, traditional Chinese medicine and pain.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CR Holdings (a controlling shareholder of the Company) indirectly holds approximately 59.55% equity interests in CR Land (a company listed on the Stock Exchange, stock code: 1109). As such, the Rehabilitation Hospital (as an indirect wholly-owned subsidiary of CR Land) is a connected person of

the Company. Accordingly, the Medical Equipment Procurement Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transaction amounts under the Medical Equipment Procurement Agreement exceed 0.1% but all of them are less than 5%, such transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“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 person(s)”	has the meaning ascribed to it under the Listing Rules;
“CR Holdings”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and an indirect controlling company of CR Land;
“CR Land”	China Resources Land 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: 1109);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Medical Equipment Procurement Agreement”	the medical equipment procurement agreement entered into between Yisheng Yongxin and the Rehabilitation Hospital on June 25, 2021. Please refer to the section headed “Medical Equipment Procurement Agreement” of this announcement for details;
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Rehabilitation Hospital”	南寧市悦年華康復醫院有限公司 (Nanning Yuenianhua Rehabilitation Hospital Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CR Land. It is a for-profit hospital focusing on the rehabilitation specialty;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary shares of HK\$0.00025 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yisheng Yongxin”	北京益生永信醫療器械有限公司 (Beijing Yisheng Yongxin Medical Equipment Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company; and
“%”	per cent.

\* For identification purpose only

By Order of the Board  
**China Resources Medical Holdings Company Limited**  
**CHENG Libing**  
*Executive Director & Chief Executive Officer*

Beijing, June 25, 2021

*As at the date of this announcement, the Board comprises Mr. SONG Qing, Mr. CHENG Libing, Ms. REN Yuan and Ms. FU Yanjun as executive Directors; Mr. WANG Yan as non-executive Director; Mr. WU Ting Yuk, Anthony, Mr. KWONG Kwok Kong, Ms. CHIU Kam Hing Kathy and Mr. LEE Kar Chung Felix as independent non-executive Directors.*