

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 PROPERTY MANAGEMENT SERVICE ARRANGEMENTS RELATING TO WUGANG HOSPITAL

CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated November 17, 2021 in relation to the entering into of the Original Property Services Agreement by Wugang Hospital under the Group and Runjia Property Service (a wholly-owned subsidiary of CR Mixc) (as service provider) and pursuant to which the latter would provide various property management services to Wugang Hospital for a term of one year. The Board is pleased to announce that on November 4, 2022, Wugang Hospital and Runjia Property Service (as service provider) entered into the Property Services Agreement, pursuant to which the latter shall continue to provide property management services, including cleaning, security, fire safety control, etc., to Wugang Hospital for a term of one year at a fee of approximately RMB5,887,000 (inclusive of value added tax).

LISTING RULES IMPLICATIONS

As at the date of this announcement, CR Holdings (a controlling shareholder of the Company) indirectly holds approximately 73.72% equity interests in CR Mixc (a company listed on the Stock Exchange, stock code: 1209). As such, Runjia Property Service, as a wholly-owned subsidiary of CR Mixc, is a connected person of the Company. Accordingly, the Property Services 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 aggregated transaction amounts under the Property Services Agreement and the Previous Property Service Outsourcing Contract exceed 0.1%, but all of them are less than 5%, the transaction contemplated under the Property Services Agreement 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.

CONNECTED TRANSACTION — PROPERTY MANAGEMENT SERVICE ARRANGEMENTS RELATING TO WUGANG HOSPITAL

Reference is made to the announcement of the Company dated November 17, 2021 in relation to the entering into of the Original Property Services Agreement by Wugang Hospital under the Group and Runjia Property Service (a wholly-owned subsidiary of CR Mixc) (as service provider) and pursuant to which the latter would provide various property management services to Wugang Hospital for a term of one year. The Board is pleased to announce that on November 4, 2022, Wugang Hospital and Runjia Property Service (as service provider) entered into the Property Services Agreement, pursuant to which the latter shall continue to provide property management services, including cleaning, security, fire safety control, etc., to Wugang Hospital. Please see below for further details.

Property Services Agreement

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

Date: November 4, 2022

Parties:

1. Wugang Hospital; and
2. Runjia Property Service (as service provider)

Scope of services:

Runjia Property Service shall provide property management services as required by Wugang Hospital, including cleaning service, security service, fire safety control, etc., within the area of Wugang Hospital to help the hospital keep the hospital's environment clean and maintain its orderly daily operations. The Property Services Agreement shall be effective retrospectively from October 23, 2022 and for a term of one year.

Service fees and payment arrangement:

Wugang Hospital shall pay a monthly service fee of approximately RMB491,000 to Runjia Property Service for the services as provided pursuant to the Property Services Agreement (i.e. approximately RMB5,887,000 in total when calculated based on a service term of 12 months). The contracting parties may raise or reduce the amount of service fees according to the fee standards agreed in the Property Services Agreement, and such variation should be based on the internal evaluation mechanism or the needs of Wugang Hospital. According to the latest information available to the Company, it is estimated that the service fees payable by Wugang Hospital to Runjia Property Service for the property management services to be provided pursuant to the Property Services Agreement shall not exceed RMB5,887,000. In case the final service fee amount exceeds the aforementioned estimated amount, the Company will make further announcement and fulfill the relevant requirements under the Listing Rules (if applicable) as and when appropriate.

The abovementioned service fees and payment method are determined through a tender and bidding process required by the Group after arm's length negotiation between the parties on normal commercial terms taking into account the following factors: (1) property type and area involved; (2) scope and standard of services provided; and (3) estimated costs of providing the services, market prices offered by third-party service providers for similar services and the similar fees paid by Wugang Hospital in the past.

THE SERVICE FEE AMOUNT UNDER THE ORIGINAL PROPERTY SERVICES AGREEMENT

Regarding the requirements in respect of the prevention and control of the COVID-19 pandemic, the demand for certain security services of Wugang Hospital had increased accordingly during the contract term of the Original Property Services Agreement, and the service fee was calculated based on the fee standard for security services, resulting in the final amount of service fees payable by Wugang Hospital under the Original Property Services Agreement being approximately RMB5,887,000 (compared to the estimated amount of RMB5,500,000 as disclosed in the announcement of the Company dated November 17, 2021, representing an increase of approximately 7%). One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of such transaction as calculated based on the aforementioned final service fee amount still exceed 0.1% but all of them are less than 5%.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY SERVICES AGREEMENT

In light of its daily operations, Wugang Hospital has to acquire property management services to keep the hospital's environment clean and maintain its orderly daily operations, in order to facilitate the business development of the hospital. As a professional and efficient service provider with controllable costs, Runjia Property Service has been providing quality property management services to Wugang Hospital since October 2021. The Company and Wugang Hospital both believe that Runjia Property Service enjoys geographical advantage and has always been able to solve problems arising from its property management services in a timely manner, which can facilitate the efficient and orderly business operation of the hospital and effectively lower its transaction costs. Besides, Wugang Hospital has also taken into account the fact that the property management service providers under CR Mixc have always been capable of providing high quality property management services.

Taking into account the above factors, the Directors (including independent non-executive Directors) are of the view that the Property Services 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 Property Services 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 Property Services Agreement. As part of good corporate governance measures, Mr. SONG Qing, Mr. CHENG Libing, Ms. REN Yuan and Mr. SHAN Baojie, the executive Directors, and Mr. HU Hui, 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 Wugang Hospital

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. Wugang Hospital is a sponsored hospital under the Group. It is a grade 3A comprehensive hospital located in Qingshan District, Wuhan City, with over 1,000 beds.

CR Mixc and Runjia Property Service

CR Mixc is a company incorporated in the Cayman Islands with limited liability and its issued shares are listed on the main board of the Stock Exchange (stock code: 1209). As at the date of this announcement, approximately 73.72% 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 Mixc is principally engaged in property management and commercial operational services in the PRC, covering residential property management and value-added services, as well as management and operational services for commercial property portfolio (including shopping malls and office buildings). Runjia Property Service is a wholly-owned subsidiary of CR Mixc and a company incorporated in the PRC with limited liability. It is principally engaged in the provision of property management services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CR Holdings (a controlling shareholder of the Company) indirectly holds approximately 73.72% equity interests in CR Mixc (a company listed on the Stock Exchange, stock code: 1209). As such, Runjia Property Service, as a wholly-owned subsidiary of CR Mixc, is a connected person of the Company. Accordingly, the Property Services Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Prior to entering into the Property Services Agreement, on December 20, 2021, Xuzhou Mining Hospital* (徐州市礦山醫院) (a self-owned hospital of the Group) and Runjia Property Service (Shanghai) Co. Ltd.* (潤加物業服務(上海)有限公司) (a wholly-owned subsidiary of CR Mixc) (as service provider) entered into the Previous Property Service Outsourcing Contract, with a term commencing on January 1, 2022 and ending on December 31, 2022 and a total contract sum of approximately RMB2,080,000, pursuant to which the latter would provide cleaning services to Xuzhou Mining Hospital. As all of the applicable percentage ratios in respect of the transactions contemplated under the Previous Property Service Outsourcing Contract were below 0.1%, such transaction which constituted a connected transaction of the Company is fully exempt from Shareholders' approval and all disclosure requirements 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 aggregated transaction amounts under the Property Services Agreement and the Previous Property Service Outsourcing Contract exceed 0.1%, but all of them are less than 5%, the transaction contemplated under the Property Services Agreement 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 Mixc;
“CR Mixc”	China Resources Mixc Lifestyle Services 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: 1209);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Original Property Services Agreement”	the property services agreement entered into between Wugang Hospital and Runjia Property Service on November 17, 2021, pursuant to which the latter should provide a series of property management services to Wugang Hospital for the period from October 23, 2021 to October 22, 2022;
“PRC”	the People’s Republic of China;
“Previous Property Service Outsourcing Contract”	the property service outsourcing contract entered into between Xuzhou Mining Hospital* (徐州市礦山醫院) and Runjia Property Service (Shanghai) Co. Ltd.* (潤加物業服務(上海)有限公司) on December 20, 2021, pursuant to which the latter should provide cleaning services to Xuzhou Mining Hospital for the period from January 1, 2022 to December 31, 2022;

“Property Services Agreement”	the property services agreement entered into between Wugang Hospital and Runjia Property Service on November 4, 2022. Please refer to the section headed “Property Services Agreement” of this announcement for details;
“RMB”	Renminbi, the lawful currency of the PRC;
“Runjia Property Service”	Runjia Property Service (Wuhan) Co. Ltd.* (潤加物業服務(武漢)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CR Mixc;
“Share(s)”	ordinary share(s) 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; and
“Wugang Hospital”	China Resources Wugang General Hospital* (華潤武鋼總醫院), a sponsored hospital under the Group. Please refer to the section headed “General Information — The Group and Wugang Hospital” of this announcement for details.

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

Beijing, November 4, 2022

As at the date of this announcement, the Board comprises Mr. SONG Qing, Mr. CHENG Libing, Ms. REN Yuan and Mr. SHAN Baojie as executive Directors; Mr. HU Hui 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.

* *For identification purpose only*