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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)

PROFIT UPDATE

This announcement is made by China Resources Medical Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) wishes to inform the shareholders of the Company (the “**Shareholder(s)**”) and potential investors that the Company is in the course of preparing its consolidated financial results for the fiscal year ended December 31, 2023 (the “**Reporting Period**”). Based on the available information and a preliminary assessment of the unaudited consolidated management accounts of the Group for the Reporting Period, it is estimated that the profit attributable to owners of the parent company of the Group for the Reporting Period will be approximately RMB250 million, representing a decrease compared to the Group’s restated profit attributable to owners of the parent company for the fiscal year ended December 31, 2022 of RMB270 million. (For the purpose of reference, unrestated profit attributable of the owners of the parent company of the Group for the fiscal year ended December 31, 2022 was approximately RMB140 million.)

The change in the Group's results during the Reporting Period was primarily influenced by two factors: (1) the acquisitions during the Reporting Period (as detailed below); and (2) the impairment provisions made by the Group related to Huai'an City Huaiyin Hospital Company Limited* (淮安市淮陰醫院有限公司, "**Huaiyin Hospital**").

Regarding the first factor mentioned above, reference is made to the circular of the Company dated April 27, 2023 in respect to the major and connected transactions of the Company (the "**Circular**") and the announcement of the Company dated June 30, 2023 (the "**Announcement**"). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular. The major and connected transactions in relation to the acquisitions of the LH Subject Equity, the JE Subject Equity and the JE Subject Debts were completed on June 25, 2023, and as stated in the Announcement, the Group retrospectively consolidated the financial results of the LH Subjects and the JE Subject from June 2, 2022 (the "**Retrospective Consolidation Date**"). During the Reporting Period, the LH Subjects and the JE Subject have contributed to the Group's profit attributable to owners of the parent company amounting to approximately RMB300 million, while they have contributed to the Group's restated profit attributable to owners of the parent company for fiscal year 2022 starting from the Retrospective Consolidation Date, with an amount of approximately RMB130 million.

Regarding the second factor mentioned above, as stated in the 2022 annual report of the Company, Huaiyin Hospital has been experiencing a gradual loss of medical staff since 2022. Despite the implementation of various measures such as talent recruitment, business transformation, and organizational restructuring by the Group to improve its operational condition, there has been no significant turnaround in such performance of Huaiyin Hospital in 2023. The project has been appraised by an external valuer engaged by the Group and the recoverable amount of the project has been calculated in accordance with the appraisal methodology of fair value less costs of disposal. Accordingly, the Group made impairment provisions related to Huaiyin Hospital, resulting in a decrease in the Group's profit attributable to owners of the parent company for the Reporting Period of approximately RMB380 million.

The Company is still in the process of finalising the Group's consolidated financial results for the Reporting Period. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment with reference to the unaudited management accounts of the Group for the Reporting Period, which are yet to be audited by the auditors of the Company.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company and are advised to refer to the details in the annual results announcement for the Reporting Period to be published by the Company before the end of March 2024.

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

PRC, February 28, 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 purposes only*