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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)

INSIDE INFORMATION

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement of the Company dated February 28, 2024 (the “**Announcement**”) in relation to, among others, 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**”). The operational performance of Huaiyin Hospital has deteriorated continuously and Huaiyin Hospital has suffered losses due to historical issues such as the gradual loss of medical staff (as stated in the 2022 and 2023 annual reports of the Company and the Announcement), as well as changes in external environment including regional healthcare security resource and regional competition within the industry. Despite the Group has actively implemented multiple measures such as talent recruitment, business transformation, organizational restructuring, cost reduction and efficiency improvement, there has been no significant turnaround in the operational performance of Huaiyin Hospital. After conducting an in-depth research on the local healthcare market and a further assessment of Huaiyin Hospital’s current situation, the Company’s management considers that Huaiyin Hospital currently lacks business development opportunities and will continue to operate at a loss for an extended period of time. In comparison with continued operations, the decision to cease the operations of Huaiyin Hospital could minimize the Company’s losses and prevent and control project risks to the greatest extent possible at the current stage. Consequently, the Company will apply to the industrial regulatory authorities for the cessation of operation of Huaiyin Hospital subsequent to the publication of this announcement and implement the closure arrangements of Huaiyin Hospital’s operations after approval has been obtained.

According to the Company's assessment based on the information currently available, the closure of Huaiyin Hospital's operations is expected to incur relevant one-time expenses. Additionally, it is expected that non-cash costs will be incurred from asset depreciation or amortization in the year 2024. The aforementioned matters will have a certain impact on the Company's operational performance in the year 2024. However, considering that Huaiyin Hospital is expected to be unable to cut its losses through operations for an extended period of time, the Company considers that the closure of Huaiyin Hospital's operations will be beneficial to the future operational performance of the Group in the long term. Furthermore, based on a comprehensive evaluation in terms of Huaiyin Hospital's revenue scale, number of patient visits, expert resources etc., the anticipated impact of the closure on the Group's business development is relatively small. The Company is also continuously assessing the impact of the closure of Huaiyin Hospital's operations on the Group and will make further announcements as and when appropriate.

Currently, the Company is studying the proposals for handling personnel and assets after the closure of Huaiyin Hospital's operations, including sale of its corresponding equity interest in Huaiyin Hospital or sale of Huaiyin Hospital's assets. Further announcement(s) will be made by the Company (if required) as and when appropriate in accordance with the Listing Rules and the SFO.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

PRC, May 10, 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*