

*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.*



**華潤醫藥集團有限公司**

**China Resources Pharmaceutical Group Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 3320)**

## **CONTINUING CONNECTED TRANSACTIONS THE IT SERVICES PROCUREMENT FRAMEWORK AGREEMENT 2024**

The Board is pleased to announce that, on 12 April 2024, the Company entered into the IT Services Procurement Framework Agreement 2024 with CR Digital, pursuant to which the Group has agreed to purchase the IT Services from the CR Digital Group for a term commencing on 12 April 2024 and ending on 31 December 2024.

As at the date of this announcement, CRI, being a controlling shareholder of the Company, indirectly holds approximately 53.05% interest in the Company. CR Digital is an indirect wholly-owned subsidiary of CRI. Accordingly, CR Digital is a connected person of the Company and the transactions contemplated under the IT Services Procurement Framework Agreement 2024 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the IT Services Procurement Framework Agreement 2024 exceed 0.1% but are less than 5%, the IT Services Procurement Framework Agreement 2024 and the transactions and proposed annual cap contemplated thereunder are only subject to reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

The Board is pleased to announce that, on 12 April 2024, the Company entered into the IT Services Procurement Framework Agreement 2024 with CR Digital, pursuant to which the Group has agreed to purchase the IT Services from the CR Digital Group for a term commencing on 12 April 2024 and ending on 31 December 2024.

## **THE IT SERVICES PROCUREMENT FRAMEWORK AGREEMENT 2024**

### **Principal Terms**

The principal terms of the IT Services Procurement Framework Agreement 2024 are set out as follows:

**(1) *Date***

12 April 2024

**(2) *Parties***

(a) CR Digital; and

(b) The Company

**(3) *Term***

From 12 April 2024 to 31 December 2024. Subject to compliance with the Listing Rules and other applicable laws and regulations, the parties may renew the term of the IT Services Procurement Framework Agreement 2024.

**(4) *Scope***

The Group may from time to time purchase the IT Services from CR Digital Group, and the IT Services to be purchased from CR Digital Group shall include (i) maintenance services for generic applications and operating systems, including daily maintenance, procurement of software, and licensing of software; (ii) specific implementation services, including implementation of unified application systems; (iii) IT infrastructure, including cloud platforms and hardware and software, and technical support services for the informatisation of traditional resource pool; and (iv) other services, including general contracting projects such as data security, smart manufacturing and smart parks, industrial internet of things (IIoT), and collection of software licensing fees relating to legalization and localization of software, etc..

**(5) *Pricing basis and pricing policies***

The service fee in respect of the IT Services pursuant to the IT Services Procurement Framework Agreement 2024 shall be determined through arm's length basis by the parties with reference to the then prevailing market price and taking into account the service level, type and quality of the services as well as other terms such as payment terms.

When the Group procures relevant services in its ordinary and usual course of business, it selects suppliers and determines the relevant procurement terms through negotiations based on the types and scale of the procurement. As part of the Group's internal approval and monitoring procedures relating to the transactions with CR Digital Group, the Group will obtain quote from other independent suppliers for procurement of similar services and consider assessment criteria (including the price, quality, suitability, payment terms, and time required for the provision of the services) before it enters into any new procurement arrangement with CR Digital Group, and such quotes, together with the offer from CR Digital Group, will be reviewed and passed by the Group's internal approval procedures. The Group has implemented adequate 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.

## Historical Amounts

Historically, CR Digital Group provided IT Services to the Group in the ordinary course of business and on normal commercial terms. Set out below are the approximate historical amounts of the relevant procurement by the Group from CR Digital Group during the three years ended 31 December 2023:

	For the years ended 31 December					
	2021		2022		2023	
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>
	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>
Procurement of IT Services	59.00	65.16	138.58	153.04	116.10	128.22

## Annual Caps and Basis of Determination

The proposed maximum annual cap for the transactions contemplated under the IT Services Procurement Framework Agreement 2024 for the year ending 31 December 2024 is as follows:

	For the years ending	
	31 December 2024	
	<i>RMB</i>	<i>HK\$</i>
	<i>(million)</i>	<i>(million)</i>
Procurement of IT Services	122.97	135.80

In determining the proposed annual caps for the transactions contemplated under the IT Services Procurement Framework Agreement 2024, the Company has taken into account the scope of services contemplated thereunder and considered, among others, (a) the historical amount and trend of procurement of the relevant services by the Group from CR Digital Group; (b) the expected enhancement of CR Digital Group's scope of services; (c) the expected increase in the Group's demand for the relevant services as the Group continues to expand its business, taking into account, among other things, the digitalization of the Group's operation; and (d) the expected increase in average prices of the relevant services in the future.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The IT Services Procurement Framework Agreement 2024 will enable the Group to procure the IT Services provided by CR Digital Group to support the Group's business, to ensure a steady source of services which are of reliable quality, and to support the development within the CR Digital Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers. Under the IT Services Procurement Framework Agreement 2024, the Group is not required to exclusively procure the IT Services from CR Digital Group. The Board is of the view that the Group will retain the flexibility and discretion in selecting CR Digital Group and/or other independent suppliers based on arm's length negotiation and taking into account the commercial terms and factors of consideration.

The Board (including the independent non-executive Directors) consider that the IT Services Procurement Framework Agreement 2024 was negotiated on an arm's length basis based on normal commercial terms and in the ordinary and usual course of business of the Group, and the relevant terms and proposed annual caps thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CRI, being a controlling shareholder of the Company, indirectly holds approximately 53.05% interest in the Company. CR Digital is an indirect wholly-owned subsidiary of CRI. Accordingly, CR Digital is a connected person of the Company and the transactions contemplated under the IT Services Procurement Framework Agreement 2024 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the IT Services Procurement Framework Agreement 2024 exceed 0.1% but are less than 5%, the IT Services Procurement Framework Agreement 2024 and the transactions and proposed annual cap contemplated thereunder are only subject to reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the IT Services Procurement Framework Agreement 2024 and the transactions (including the relevant annual caps) contemplated thereunder, and none of the Directors has abstained from voting on the relevant Board resolutions approving the IT Services Procurement Framework Agreement 2024 and the transactions (including the relevant annual caps) contemplated thereunder.

## **INFORMATION OF THE PARTIES**

### **CR Digital**

CR Digital is a wholly-owned subsidiary of CRI, and is principally engaged in digital and intelligent development. It is a national high-tech enterprise and a leading integrated service provider of digital intelligence and IT services.

### **The Group**

The Group's core business encompasses research and development, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;

“CR Digital”	華潤數字科技有限公司 (China Resources Digital Company Limited*), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of CRI;
“CR Digital Group”	CR Digital and its subsidiaries;
“CRC”	中國華潤有限公司 (China Resources Company Limited*), a company established in the PRC with limited liability, the ultimate holding company of the Company;
“CRI”	華潤股份有限公司 (China Resources Inc.*), a joint stock limited liability company established in the PRC, a controlling shareholder of the Company and is ultimately owned by CRC;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IT Services”	various types of IT services, which include (i) maintenance services for generic applications and operating systems, including daily maintenance, procurement of software, and licensing of software; (ii) specific implementation services, including implementation of unified application systems; (iii) IT infrastructure, including cloud platforms and hardware and software, and technical support services for the informatisation of traditional resource pool; and (iv) other services, including general contracting projects such as data security, smart manufacturing and smart parks, industrial internet of things (IIoT), and collection of software licensing fees relating to legalization and localization of software, etc.;

“IT Services Procurement Framework Agreement 2024”	the IT services procurement framework agreement dated 11 April 2024 entered into between the Company and CR Digital in relation to the IT Services;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi Yuan, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules.

*For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$0.9055. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.*

*For ease of reference, the names of the PRC established companies or entities have been included in this announcement in both the Chinese and English languages, and in the event of any inconsistency, the Chinese versions shall prevail.*

By Order of the Board  
**China Resources Pharmaceutical Group Limited**  
**Han Yuewei**  
*Chairman*

Shenzhen, 12 April 2024

*As at the date of this announcement, the Board comprises Mr. Han Yuewei as chairman and non-executive Director, Mr. Bai Xiaosong, Mr. Tao Ran and Mdm. Deng Rong as executive Directors, Mdm. Guo Wei, Mr. Sun Yongqiang, Mr. Hou Bo and Mdm. Jiao Ruifang as non-executive Directors and Mdm. Shing Mo Han Yvonne, Mr. Kwok Kin Fun, Mr. Fu Tingmei and Mr. Zhang Kejian as independent non-executive Directors.*