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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
SALES FRAMEWORK AGREEMENT 2026/2028

Reference is made to the announcement of the Company dated 17 June 2024 in relation to, among other things, the Existing Sales Framework Agreement. The Existing Sales Framework Agreement will expire and cease to have effect on 31 December 2025.

SALES FRAMEWORK AGREEMENT 2026/2028

On 16 December 2025, the Company has entered into the Sales Framework Agreement 2026/2028 with CR Healthcare for a term commencing on 1 January 2026 and ending on 31 December 2028.

As at the date of this announcement, CR Holdings, being a controlling shareholder of the Company indirectly holding 53.40% interest in the Company, held 100% interest in CR Healthcare. CR Holdings is ultimately owned by CRC. Beijing Aerospace is a non-wholly owned subsidiary of CRC. Accordingly, each of CR Healthcare and Beijing Aerospace is a connected person of the Company and the transactions contemplated under the Sales Framework Agreement 2026/2028 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Sales Framework Agreement 2026/2028 exceeds 5%, the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM AND DESPATCH OF CIRCULAR

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, pass the relevant resolution to approve the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

The Independent Board Committee has been formed to advise the Independent Shareholders and Ignite Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder are fair and reasonable; (ii) whether the transactions contemplated under the Sales Framework Agreement 2026/2028 are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and whether they are in the interest of the Company and its Shareholders as a whole; and (iii) how to vote on the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

The Circular containing, among others, (i) a letter from the Board setting out the details of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, (iv) a notice of the EGM, and (v) other information required under the Listing Rules will be dispatched to the Shareholders in compliance with the Listing Rules. It is expected that the Circular will be dispatched to the Shareholders within 15 business days after the publication of this announcement. If it is expected that there will be a delay to the dispatch of the Circular, a further announcement will be published in accordance with the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 17 June 2024 in relation to, among other things, the Existing Sales Framework Agreement. The Existing Sales Framework Agreement will expire and cease to have effect on 31 December 2025.

On 16 December 2025, the Company has entered into the Sales Framework Agreement 2026/2028 with CR Healthcare for a term commencing on 1 January 2026 and ending on 31 December 2028.

THE SALES FRAMEWORK AGREEMENT 2026/2028

Principal Terms

The principal terms of the Sales Framework Agreement 2026/2028 are set out as follows:

(1) Date

16 December 2025

(2) Parties

(a) CR Healthcare; and

(b) The Company

(3) *Term*

From 1 January 2026 to 31 December 2028. Subject to compliance with the Listing Rules and other applicable laws and regulations, CR Healthcare and the Company may renew the term of the Sales Framework Agreement 2026/2028.

(4) *Scope*

Pursuant to the Sales Framework Agreement 2026/2028, the Group may from time to time supply medical and pharmaceutical products and consumables and medical devices, including but not limited to prescription medicines and over-the-counter (OTC) drugs to the Buyer Group and/or the hospitals that are managed by the Buyer Group.

(5) *Pricing Basis and Pricing Policies*

The price of the medical and pharmaceutical products and consumables supplied under the Sales Framework Agreement 2026/2028 shall be determined in accordance with the applicable prescribed price or guided price of that product fixed by the relevant PRC regulators, if applicable. If there is no such prescribed price or guided price for the particular product, the price shall be determined based on the then prevailing market price and arm's length negotiation between the parties.

In accordance with the relevant guiding opinions and implementation notices issued by the relevant PRC regulators in 2015, the procurement of pharmaceutical products by public hospitals and medical institutions in the PRC is subject to a centralized tendering process.

Accordingly, the Group's sale of medical and pharmaceutical products and consumables to the Buyer Group and/or the hospitals managed by the Buyer Group is also subject to such centralized tendering system in the PRC and, the Group, similar to other independent third party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become their suppliers. The parties also negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables and medical devices to the Buyer Group and/or the hospitals managed by the Buyer Group in the ordinary and usual course of business.

The centralized tendering process generally operates as follows:

(i) Public hospitals and medical institutions in different provinces and cities in the PRC will submit the types of medical and pharmaceutical products and consumables required in their ordinary course of business to the centralized procurement platform in the relevant province or region, where the suppliers will submit their bidding prices in respect of the relevant products and consumables;

(ii) The relevant governmental authority will then determine the selling price of a particular medical and pharmaceutical product or consumable in the relevant province or region by taking into consideration mainly the bidding prices and quality of the product or consumable offered by different suppliers, and from which supplier(s) the hospitals and medical institutions in that province or region may purchase the product or consumable at such selling price; and

(iii) Due to the nature and operation of the above-mentioned centralized tendering process, the selling price for the same type of product or consumable may vary across different provinces and regions.

After completion of the above-mentioned centralized tendering process and commercial negotiation, the Group will supply its medical and pharmaceutical products and consumables to the Buyer Group and/or the hospitals managed by the Buyer Group on the agreed terms and conditions upon receiving purchase orders specifying the brand, volume and types of products and consumables.

The Group shall comply with appropriate internal procedures before it enters into any transaction under the Sales Framework Agreement 2026/2028 with the Buyer Group and/or the hospitals managed by the Buyer Group. Further details of such internal policies are set out in the section headed "Internal Control Measures" in this announcement.

Historical Amounts

Set out below are the approximate historical amounts of the relevant sales by the Group to CR Healthcare and/or its associates and/or hospitals that are managed by CR Healthcare and/or its associates for the year ended 31 December 2024 and the nine months ended 30 September 2025:

	For the years ended 31 December 2024	**For the nine months ended 30 September 2025**
	RMB (million)	*RMB (million)*
Relevant sales to CR Healthcare and/or its associates and/or hospitals that are managed by CR Healthcare and/or its associates	1,290.6	1,102.8

Annual Caps and Basis of Determination

The Annual Caps for the transactions contemplated under the Sales Framework Agreement 2026/2028 for each of the years ending 31 December 2026, 2027 and 2028 are as follows:

	For the years ending 31 December		
	2026	**2027**	**2028**
	RMB (million)	*RMB (million)*	*RMB (million)*
Sales and medical and pharmaceutical products and consumables	1,850.00	1,900.00	2,000.00

In determining the Annual Caps for the transactions contemplated under the Sales Framework Agreement 2026/2028, the Company has considered, among others, the following key factors:

(a) historical amounts of the sales of medical and pharmaceutical products by the Group to CR Healthcare and/or its associates and/or the hospitals managed by CR Healthcare and its associates; and

(b) the expected expansion of the business scale of the Buyer Group and the hospital network managed by the Buyer Group, including that CR Healthcare has been entrusted to manage and control other entities owned by CRC which operate hospitals, including but not limited to Beijing Aerospace and/or its subsidiaries, such that the expected number of hospitals under the Buyer Group and corresponding demand for medical and pharmaceutical products from the Group is expected to increase;

(c) the expected increase in the demand for the Group's medical and pharmaceutical products and consumables, taking into account the overall growing market demand for medical and pharmaceutical products and consumables in the PRC and the expected substantial growth in transaction volume between the Group and the Buyer Group and/or hospitals managed by the Buyer Group. With the deepening national pharmaceutical reform in the PRC and driven by factors such as the aging population, rise in healthcare awareness and popularization of general hospital services in the PRC, it is expected that the market demand for medical and pharmaceutical products and consumables in the PRC will continue to grow; and

(d) a buffer of approximately 10% for unforeseeable circumstances, such as unexpected increase in demand for products and unexpected increase in unit price of the products.

INTERNAL CONTROL MEASURES

The Group, similar to other independent third-party suppliers, is required to go through the selection and approval procedures adopted by the Buyer Group as well as the commercial negotiation process in order to become a supplier of the Buyer Group and/or hospitals managed by the Buyer Group.

As part of the Group's internal approval and monitoring procedures relating to transactions with the Buyer Group and/or hospitals managed by the Buyer Group, designated personnel from the operations department of the Group will (i) compare the terms (including the selling prices) of its products and commodities that are offered to, or quoted by, other at least two independent customers (where available), and/or to the extent reasonably practicable, obtain market or industry data on the pricing of transactions of similar nature, scope and scale from time to time through publicly available information on the public sources such as on the website of the National Medical Products Administration (where available) in order to ensure that the transactions entered into with the Buyer Group and/or hospitals managed by the Buyer Group under the Sales Framework Agreement 2026/2028 are on normal commercial terms or no less favourable to the Group than those offered to independent third parties; and (ii) negotiate the terms of sales based on the business needs of, and the suitability of the medical and pharmaceutical products and consumables to, the Buyer Group and/or the hospitals managed by the Buyer Group in their ordinary and usual course of business on an arm's length basis. When the Group decides to enter into transactions contemplated under the Sales Framework Agreement 2026/2028 upon the aforementioned procedures and commercial negotiation, the operations department of the Group will submit the details of the transactions for internal review and approval by the sales department, quality control department, finance department and/or legal department of the Group as appropriate.

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.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group has continued to grow its business scale and market position in respect of its supply of medical and pharmaceutical products and consumables. On the other hand, the scale of business of the Buyer Group and the hospital network managed by the Buyer Group have continued to expand. Accordingly, the transaction volume between the parties under the Existing Sales Framework Agreement has continued to increase. In addition, multiple governmental policies favourable to the pharmaceutical and healthcare industry have been promulgated in recent years. Such policies promote the high-quality development of hospitals and medical institutions and stimulate the expansion and growth potentials of nationwide hospital and healthcare service providers, including the Buyer Group. Coupled with other market drivers, such as the aging population in the PRC, increasing prevalence of chronic diseases, optimization of service quality, and development of medical insurance programs, the demand for medical and pharmaceutical products and consumables has continued to grow. In view of the above, the parties entered into the Sales Framework Agreement 2026/2028 in order to meet the business needs of the parties, and ensure steady sale of medical and pharmaceutical products and consumables from the Group to the Buyer Group and to maintain the parties' stable business relationship. It is also expected that, with the expected transaction volume under the Sales Framework Agreement 2026/2028, the Group will be able to generate stable income stream and to further grow its pharmaceutical distribution business.

The Buyer Group is engaged in hospital investment and operation management. It is necessary for the Buyer Group and the hospitals managed by the Buyer Group to procure suitable medical and pharmaceutical products and consumables in their ordinary and usual course of business.

Taking into account the above factors, the Board (excluding the independent non-executive Directors whose views will be contained in the Circular to be published by the Company after considering the advice from the Independent Financial Adviser) considered that the Sales Framework Agreement 2026/2028 was negotiated on an arm's length basis and entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the relevant terms and the 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, CR Holdings, being a controlling shareholder of the Company indirectly holding 53.40% interest in the Company, held 100% interest in CR Healthcare. CR Holdings is ultimately owned by CRC. Beijing Aerospace is a non-wholly owned subsidiary of CRC. Accordingly, each of CR Healthcare and Beijing Aerospace is a connected person of the Company and the transactions contemplated under the Sales Framework Agreement 2026/2028 constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Annual Caps under the Sales Framework Agreement 2026/2028 exceeds 5%, the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, and none of the Directors has abstained from voting on the relevant Board resolutions approving the Sales Framework Agreement 2026/2028.

INFORMATION OF THE PARTIES

The Buyer Group

Each of CR Healthcare and Beijing Aerospace is principally engaged in hospital investment and operation management.

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.

APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been formed to advise the Independent Shareholders and Ignite Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder are fair and reasonable; (ii) whether the transactions contemplated under the Sales Framework Agreement 2026/2028 are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and whether they are in the interest of the Company and its Shareholders as a whole; and (iii) how to vote on the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

EGM AND DESPATCH OF CIRCULAR

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, pass the relevant resolution to approve the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder.

Any Shareholders who have a material interest in the Sales Framework Agreement 2026/2028 shall abstain from voting on the ordinary resolution in relation thereto to be proposed at the EGM. As at the date of this announcement, CR Healthcare is a wholly owned subsidiary of CR Holdings. Therefore, CR Holdings, being a controlling shareholder of the Company indirectly holding approximately 53.40% interest in the Company as of the date of this announcement, and its associates will be required to abstain from voting on the ordinary resolution in relation to the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder at the EGM. As at the date of this announcement, to the best of Directors' knowledge, information and belief having made all reasonable enquiries, save for CR Holdings and its associates, none of the other Shareholders has any material interest in the Sales Framework Agreement 2026/2028 and is required to abstain from voting on the ordinary resolution in relation to the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder at the EGM.

The Circular containing, among others, (i) a letter from the Board setting out the details of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, (iv) a notice of the EGM, and (v) other information required under the Listing Rules will be dispatched to the Shareholders in compliance with the Listing Rules. It is expected that the Circular will be dispatched to the Shareholders within 15 business days after the publication of this announcement. If it is expected that there will be a delay to the dispatch of the Circular, a further announcement will be published in accordance with the Listing Rules.

DEFINITIONS

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

"Annual Caps"	the proposed annual cap for the years ending 31 December 2026, 2027 and 2028 for the transactions contemplated under the Sales Framework Agreement 2026/2028;
"associates"	has the meaning ascribed thereto under the Listing Rules;
"Beijing Aerospace"	Beijing Aerospace Medical Co., Ltd. (北京航天醫療有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of CRC;
"Board"	the board of Directors of the Company;
"Buyer Group"	CR Healthcare and its associates, as well as entities which CR Healthcare has the authority to represent and control, including but not limited to Beijing Aerospace and/or its subsidiaries;
"Circular"	the circular of the Company containing, among others, (i) a letter from the Board setting out the details of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, (iv) a notice of the EGM, and (v) other information required under the Listing Rules;
"Company"	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 3320);
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules;
"CR Healthcare"	China Resources Healthcare Group Limited (華潤健康集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CR Holdings;
"CR Holdings"	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company and is ultimately owned by CRC;

"CRC"	China Resources Company Limited (中國華潤有限公司), a company established in the PRC with limited liability and a state owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council in the PRC, and is the ultimate holding company of the Company and CR Healthcare, respectively;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened and held to approve, among others, the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder;
"Existing Sales Framework Agreement"	the sales framework agreement dated 30 December 2022 entered into between the Company and CR Healthcare, as amended and supplemented by the supplemental sales framework agreement dated 17 June 2024;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent committee of the Board comprising all of the independent non-executive Directors, namely Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen, established to advise the Independent Shareholders in respect of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder;
"Independent Financial Adviser" or "Ignite Capital"	Ignite Capital (Asia Pacific) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sales Framework Agreement 2026/2028 and the transactions and the Annual Caps contemplated thereunder;
"Independent Shareholder(s)"	the Shareholder(s), other than CR Holdings and its associates and any other Shareholder who has a material interest in the transactions contemplated under the Sales Framework Agreement 2026/2028, as the case may be;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;

"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, the lawful currency of the PRC;
"Sales Framework Agreement 2026/2028"	the sales framework agreement dated 16 December 2025 entered into between the Company and CR Healthcare;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Shareholder(s)"	the holder(s) of share(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules.

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 version shall prevail.

By order of the Board
China Resources Pharmaceutical Group Limited
Mr. Bai Xiaosong
Chairman

PRC, 16 December 2025

As at the date of this announcement, the Board comprises Mr. Bai Xiaosong as chairman and executive director of the Company; Mr. Cheng Jie and Mr. Liu Changan as executive directors of the Company; Mdm. Guo Wei, Mr. Sun Yongqiang, Mr. Wang Yuhang, Mr. Guo Chuan and Mdm. Jiao Ruifang as non-executive directors of the Company and Mdm. Chiu Mun Wai, Mr. Fu Tingmei, Mr. Zhang Kejian and Mr. Shi Luwen as independent non-executive directors of the Company.