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华润凤凰

CR Phoenix

## China Resources Phoenix Healthcare Holdings Company Limited

華潤鳳凰醫療控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1515)**

### CONTINUING CONNECTED TRANSACTION COOPERATION AGREEMENT

#### COOPERATION AGREEMENT

The Board announces that on June 21, 2018, the Company entered into the Cooperation Agreement with CR Leasing.

#### **The principal terms of the Cooperation Agreement are as follows:**

- Date : June 21, 2018
- Parties : (1) CR Leasing; and  
(2) the Company
- Term : From June 21, 2018 to December 31, 2019
- Scope of services : The Group may use general finance lease services (“**Finance Lease Services**”), factoring services and related consultancy services (“**Other Financial Services**”) provided by CR Leasing.
- Pricing basis : The commission and/or services fees to be paid by the Company to CR Leasing in relation to the Finance Lease Services and Other Financial Services to be provided under the Cooperation Agreement will be determined at following arm’s length negotiation between the parties with reference to the prevailing market prices for comparable services, after taking into account various factors, such as finance costs and normal market rate. Such commission and/or services fees shall not be less favourable than those offered for other independent customers by CR Leasing.

## Annual Caps and Basis of Determination

The proposed annual caps for (a) the maximum aggregate amount of the Finance Lease Services plus relevant commission and/or service fees; and (b) commission and/or services fee for Other Financial Services payable by the Company to CR Leasing during the term of the Cooperation Agreement are as follows:

	For the years ending 31 December			
	2018		2019	
	RMB	HK\$	RMB	HK\$
	(million)	(note 1) (million)	(million)	(million)
<b><i>Annual Cap for Finance Lease Services</i></b>				
The maximum aggregate amount of the Finance Lease Services	100	121	200	242
Maximum commission and/or service fees in relation to Finance Lease Services	8	9.68	13	15.73
<b><i>Annual Cap for Other Financial Services</i></b>				
Maximum commission and/or service fees for Other Financial Services	27	33	28	34

Note (1): RMB is converted into HK\$ by using the exchange rate of RMB1 to HK\$1.21.

The above proposed annual caps are determined taking into account, among other things, (a) the amounts of historical transactions between the Group and CR Leasing; (b) the anticipated need for the Finance Lease Services and Other Financial Services to be provided under the Cooperation Agreement; and (c) the anticipated growth of the businesses of the Group.

## Historical Transactions

As mentioned in our announcement dated October 5, 2016, Huaikuang Hospital Group, as lessee, entered into a finance lease agreement with CR Leasing, as lessor, in relation to the finance lease of certain medical device in the amount of RMB1.86 million for a term of 36 months at the interest rate of 3.75% per annum (subject to adjustment) (the “**Finance Lease Historical Transaction**”). The lease was agreed by the parties with reference to the useful life of the relevant leased equipment, the lessee’s financial needs and the lessor’s capital position.

Reference is also made to our announcement dated July 21, 2017 which set out the details and annual caps (“**Previous Annual Caps**”) in relation to the services and products provided by CR Bank and CR Trust pursuant to the CR Bank Strategic Cooperation Agreement and CR Trust Strategic Cooperation Agreement, both dated July 21, 2017.

Save as disclosed in this announcement, no historical transactions pursuant to which CR Leasing charged the Group service fees and commissions for financial services and products provided by CR Leasing during the last three years.

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

The Cooperation Agreement will enable the Group to enhance its overall liquidity, optimize its utilization of cash and capital, and benefit from greater flexibility in the Group's cash and capital management for generation of better return.

Under the Cooperation Agreement, the Group is not required to exclusively use the Finance Lease Services and Other Financial Services provided by CR Leasing. The Board is of the view that the Group will retain the flexibility and discretion in selecting CR Leasing and/or other independent financial institutions or commercial banks taking into consideration its business needs and the fees and quality of services offered.

All Directors (including the independent non-executive Directors) consider that the Cooperation Agreement 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 annual caps thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CRC, being a controlling shareholder of the Company, holds 60% indirect interest in CR Leasing. Accordingly, CR Leasing is a connected person of the Company and the transactions contemplated under the Cooperation Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the Finance Lease Services provided by CR Leasing to the Company are similar in nature with the Finance Lease Historical Transaction, the annual caps for Finance Lease Service set out in the table above are aggregated with the principal amount and relevant annual interests of the Finance Lease Historical Transaction for the purpose of calculation of the applicable percentage ratios under the Listing Rules.

For the Other Financial Services to be provided by CR Leasing under the Cooperation Agreement, as they will be in similar nature with the financial services and/or products where only service fees and commissions that have been and/or will be charged by CR Bank and CR Trust, the proposed annual caps for Other Financial Services set out in the table above are aggregated with the Previous Annual Caps for the purpose of calculation of the applicable percentage ratios under 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 (i) the aggregated annual caps for the Finance Lease Services and (ii) the aggregated annual caps for Other Financial Services exceed 0.1% but are less than 5%, respectively, the continuing connected transactions contemplated under the Cooperation Agreement are only subject to reporting, announcement and annual review requirement 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 Cooperation Agreement and the transactions (including the relevant annual caps) contemplated thereunder and had abstained from voting at the relevant Board resolutions.

## **INTERNAL CONTROL MEASURES**

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.

In addition, the Company's auditors and independent non-executive Directors will conduct annual review of the transactions contemplated under the Cooperation Agreement and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the Cooperation Agreement, on normal commercial terms, in the interest of the Company and its shareholders as a whole, and in accordance with the relevant pricing policies.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is principally engaged in the provision of general hospital services, hospital management services and supply chain businesses in the PRC.

### **CR Leasing**

CR Leasing is principally engaged in financial leasing, leasing, factoring and other related consultancy and guarantee services and is headquartered in Shenzhen, the PRC.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	China Resources Phoenix Healthcare Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholders”	has the meaning given to it under the Listing Rules
“Cooperation Agreement”	the cooperation framework agreement dated June 21, 2018 entered into between the Company and CR Leasing

“CR Holdings”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited Liability
“CR Leasing”	China Resources Leasing Company Limited* (華潤租賃有限公司), a company incorporated in the PRC, in which CR Holdings holds 60% indirect interest as at the date of this announcement
“CRC”	China Resources Co., Limited (華潤股份有限公司), a joint stock limited liability company incorporated in the PRC, which is the holding company of CR Holdings;
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (other than, for the purpose of this announcement only, Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“%”	per cent

\* For identification purpose only

By Order of the Board  
**China Resources Phoenix Healthcare Holdings Company Limited**  
**HAN Yuewei**  
*Executive Director & Chief Executive Officer*

Hong Kong, June 21, 2018

*As at the date of this announcement, the Board comprises Mr. WANG Yin and Mr. WANG Yan as non-executive Directors; Mr. CHENG Libing, Mr. HAN Yuewei, Ms. REN Yuan and Ms. FU Yanjun as executive Directors; Mr. KWONG Kwok Kong, Ms. CHIU Kam Hing Kathy and Mr. LEE Kar Chung Felix as independent non-executive Directors.*