OVERVIEW

We have entered into certain agreements and arrangements with certain individual, and entity that will, upon the [**REDACTED**], become our connected persons. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

The table below sets forth the party who will become our connected person upon [**REDACTED**] and the nature of its relationship with our Group:

Name of our Connected Persons	Connected Relationship
Ms. Bian	Ms. Bian is an executive Director and our chief executive officer. Ms. Bian is also the spouse of Mr. Wang, our chairman of the Board, non-executive Director and a member of our Controlling Shareholders.
Mr. Xu	Mr. Xu is a member of our Controlling Shareholders. Mr. Xu is also a cousin of Mr. Wang.
Puxiang Ren'ai	Puxiang Ren'ai is indirectly owned as to 99% and controlled by Ms. Bian through Beijing Haotai, and is therefore a connected person of our Company under Rule 14A.07 of the Listing Rules.
Puxiang Consulting	Puxiang Consulting is directly owned and controlled by Ms. Bian as to 99%, and is therefore a connected person of our Company under Rule 14A.07 of the Listing Rules.
Gu'an Puxiang Hospital	Gu'an Puxiang Hospital is a private not-for-profit hospital in which Puxiang Consulting holds 100% sponsor's interest (舉辦人權益), and is therefore an associate of Puxiang Consulting.
Tongxin Jiayuan Service Center	Tongxin Jiayuan Service Center is a private not-for-profit hospital in which Puxiang Consulting holds 100% sponsor's interest, and is therefore an associate of Puxiang Consulting.
Yikang Network	Yikang Network is wholly owned by Puxiang Consulting and is therefore an associate of Puxiang Consulting.

CONTINUING CONNECTED TRANSACTIONS

Nature of Transactions	Applicable Listing Rules	Waiver Sought
Fully-exempt Continuing Connected Transactions		
1. Provision of supervision and management services for the daily operations of managed medical institutions	14A.76(1)(c)	N/A
2. Sales of medical consumables	14A.76(1)(c)	N/A
3. Procurement of data hosting service	14A.76(1)(c)	N/A

Nature of Transactions	Applicable Listing Rules	Waiver Sought
Non-exempt Continuing Connected Transactions		
4. Contractual Arrangements	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from (i) announcement, circular, and independent shareholders' approval requirements; (ii) setting annual cap; and (iii) limiting the period of agreement to a fixed term

Fully-exempt continuing connected transactions

1. Provision of supervision and management services for the daily operations of managed medical institutions

On March 15, 2021 and January 1, 2023, Puxiang Investment entered into the supervision and management service agreements (collectively, the "Supervision and Management Service Agreements") with Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center, pursuant to which, Puxiang Investment agreed to provide supervision and management services for their daily operations of Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center, respectively. The term of the Supervision and Management Service Agreements is for a period of 10 years from the respective signing date, subject to renewal upon mutual agreement and in compliance with the Listing Rules. Puxiang Investment is entitled to receive management service fees calculated as a floating percentage of the annual revenue of the medical institutions managed by us, which is determined after arm's length negotiations with reference to terms and services of similar management agreements and fees charged for similar services in China's healthcare services industry. Unlike for-profit hospitals, not-for-profit hospitals are not entitled under PRC laws, rules and regulations, to the right of dividends or the profits, cash flow or residue assets upon liquidation. However, it has been an industry norm to obtain economic benefits by providing management services and charging management service fees for not-for-profit hospitals in China. Our Directors believe that it is in our interest and in line with the market practice to enter into the Supervision and Management Service Agreements, which have been made on commercial terms comparable in the market. The historical transaction amount under the Supervision and Management Service Agreements for each full-year during the Track Record Period was not more than RMB1.7 million, and the estimate transaction amount under the Supervision and Management Service Agreements for each of 2026, 2027 and 2028 is expected to be less than HKD3.0 million.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for a continuing connected transaction must not exceed three years, except where the nature of the transaction requires the agreement to be of a duration longer than three years. Our Directors consider the term of the Supervision and Management Service Agreements which is of a duration longer than three years is a justifiable and normal business practice in China because (i) unlike for-profit hospitals, not-for-profit hospitals are not entitled under PRC laws, rules and regulations, to the right of dividends or the profits, cash flow or residue assets upon liquidation, however, it has been an industry norm to obtain economic benefits by providing management services and charging management service fees from not-for-profit hospitals in China, (ii) our Group can obtain the economic benefits derived from the medical institutions managed by us as management service fees under the Supervision and Management Service Agreements, and (iii) a term longer than three years can ensure our provision of supervision and operation services and the flow of economic benefits to our Group on a stable and uninterrupted basis. Moreover, similar management services arrangements utilized by other companies in the PRC healthcare industry often include lengthy terms of more than three years, subject to termination upon mutual consents or other termination for causes. China Insights Consultancy, our independent industry consultant, also confirmed that a term of more than three years is normal business practice for supervision and management service agreements entered into with not-for-profit hospitals. As such, our Directors are of the view that it is beneficial to our Group and our Shareholders as a whole to enter into the Supervision and Management Service Agreements for a term of more than three years and such arrangement is in line with normal business practice.

2. Sales of medical consumables

During the Track Record Period, we sold from time to time medical consumables to Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center, leveraging our developed supply chain resources. For each of the years ended December 31, 2023, 2024 and 2025, none of Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center had made an annual purchase of more than RMB0.2 million in aggregate. The purchase was and will be for the respective medical institution's own use or consumption. Our Directors believe that our direct sales to Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center which are managed by our Group are able to provide high-quality medical consumables to them in a timely manner and such sales have been and will be made on normal commercial terms that are comparable to our sales to other managed hospitals which are not our connected persons.

3. Procurement of data hosting service

On June 26, 2025, Yikang Network and Puxiang Investment entered into a service procurement framework agreement (the "Data Hosting Service Framework Agreement"), pursuant to which, Yikang Network agreed to provide and we agreed to procure data hosting service in connection with the operation of our self-owned hospitals' unified hospital operating systems. The initial term of the Data Hosting Service Framework Agreement will end on December 31, 2027, subject to renewal for three years upon mutual agreement and in compliance with the Listing Rules. Yikang Network will charge a service fee of RMB150,000 per hospital per annum, which is determined after arm's length negotiations with reference to the nature and content of the service, the costs that Yikang Network may incur in connection with the service and the pricing of similar service provided by other third party service providers. Our Directors believe that procurement of data hosting service from Yikang Network can maintain high-standard information security protections over our patients' data, avoid any unexpected disruption of operation of our unified hospital operating systems and reduce administrative cost in the course of communication and coordination, such procurement has been and will be made on normal commercial terms or more favorable to us than those available by Independent Third Parties. See "Relationship with our Controlling Shareholder Group — Operational Independence — Procurement of Data Hosting Service" for more details of Yikang Network.

Listing Rules Implications

As (i) each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the transactions contemplated under each of the Data Hosting Service Framework Agreement and the Supervision and Management Service Agreements and the annual sales of medical consumables to Gu'an Puxiang Hospital and Tongxin Jiayuan Service Center for each of 2025, 2026 and 2027 is expected to be less than 5% and their respective transaction amount is expected to be less than HK$3 million, and (ii) all such transactions have been and will continue to be on normal commercial terms or better, these transactions will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Non-exempt continuing connected transactions

4. Contractual Arrangements

Background

As disclosed in the section headed "Contractual Arrangements," medical institutions (including hospitals) fall within "restricted" investment category under the 2024 Negative List. Therefore, we cannot directly hold more than 70% of the equity interest in the VIE Hospitals. In light of such restriction and in order to exercise effective maximum control as commercially practicable over our VIE Hospitals, we have entered into the Contractual Arrangements with Puxiang Ren'ai, Ms. Bian and Mr. Xu on April 25, 2021 and December 1, 2023, pursuant to which our Group (1) receives all or vast majority of the economic benefits from our VIE Hospitals in consideration for the services provided by Puxiang Investment to the VIE Hospitals; (2) in addition to the equity interest directly held in the VIE Hospitals, exercise effective maximum control as commercially practicable over our VIE Hospitals; and (3) hold an exclusive option to purchase all or part of the equity interests in the VIE Hospitals held by Puxiang Ren'ai when and to the extent permitted by the PRC laws.

See the section headed "Contractual Arrangements" in this document for details of the key terms of the Contractual Arrangements.

Listing Rules Implications

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Group and are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Our Directors, including our independent non-executive Directors, are of the view that (1) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (2) the Contractual Arrangements have been and will be on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group's business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

WAIVER APPLICATION

In relation to the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (1) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (2) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (3) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are [**REDACTED**] on the Stock Exchange subject however to the following conditions:

(a) No change without independent non-executive Directors' approval

No changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent non-executive Directors.

(b) No Change without Independent Shareholders' Approval

Save as described in paragraph (d) below, no changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders, will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed.

The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (c) below) will however continue to be applicable.

(c) Economic Benefits Flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the VIE Hospitals through: (i) our Group's potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in and/or assets of the VIE Hospitals that are held by Puxiang Ren'ai or Puxiang Ren'ai is entitled to; (ii) the business structure under which the net profits generated by the VIE Hospitals (after deducting all the necessary costs in relation to the respective fiscal year) is substantially retained by us (such that no annual caps shall be set on the amount of services fees payable to Puxiang Investment under the Exclusive Service Agreements); and (iii) our right to control the management and operation of, as well as, in substance, all or vast majority of the voting rights of the VIE Hospitals.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and the VIE Hospitals, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as described under the section headed "Contractual Arrangements" in this document. The directors, chief executive or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company engaging in the same business as that of our Group which our Group may establish when justified by business expediency will, upon renewal and/or cloning of the Contractual Arrangements, however be treated as our Group's connected persons and transactions between these connected persons and our Group other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant PRC laws, regulations and approvals.

(e) Ongoing Reporting and Approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

(1) The Contractual Arrangements in place during each financial period will be disclosed in our annual report and accounts in accordance with the relevant provisions of the Listing Rules.

(2) Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our annual report and accounts for the relevant year that: (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) no dividends or other distributions have been made by the VIE Hospitals to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) any new contracts entered into, renewed or reproduced between our Group and the VIE Hospitals during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.

(3) Our auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors confirming whether the transactions carried out pursuant to the Contractual Arrangements have received the approval of our Directors and whether no dividends or other distributions have been made by the VIE Hospitals to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.

(4) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person," directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the VIE Hospitals and its associates are the Company's "connected persons." As such, transactions between these connected persons and our Group (including, for this purpose, the VIE Hospitals) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

The VIE Hospitals further undertake that, for so long as the Shares are [**REDACTED**] on the Stock Exchange, the VIE Hospitals will provide our Group's management and our auditors with full access to its relevant records for the purpose of procedures to be carried out by our auditors' on the connected transactions.

CONFIRMATION FROM THE DIRECTORS

Our Directors, including the independent non-executive Directors, are of the view that the continuing connected transactions as set out above have been entered into in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole. With respect to the arrangement where no annual caps are set on the amount of services fees payable to Puxiang Investment under the Exclusive Service Agreements, it is a justifiable and normal business practice for the Contractual Arrangements of this type to ensure that substantially all or vast majority of net profits generated by the VIE Hospitals (after deducting necessary costs), which are impractical to be quantified, can be retained by us.

Our Directors, including independent non-executive Directors, are also of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration longer than three years, it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operational policies of our VIE Hospitals can be effectively controlled by our Company indirectly; (ii) our Company can indirectly obtain the economic benefits derived from our VIE Hospitals and (iii) any possible leakages of assets and values of our VIE Hospitals can be prevented, on an uninterrupted basis.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents prepared and provided by the Company in relation to the above Contractual Arrangements; (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group and the legal advisors of the Company. Based on the above, the Joint Sponsors are of the view that (a) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; (b) the non-monetary annual cap of the relevant agreements underlying the Contractual Arrangements set out above is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (c) such transactions have been and will be entered into in the ordinary and usual course of the Company's business, on normal commercial terms or better, are fair and reasonable and in the interest of the Company and our Shareholders as a whole. With respect to the terms of the relevant agreements underlying the Contractual Arrangements which are of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice to ensure that (i) the financials and operation of our VIE Hospitals can be effectively controlled by the Company indirectly, (ii) the Company can indirectly obtain the economic benefits derived from our VIE Hospitals, and (iii) any possible leakages of assets and values of our VIE Hospitals can be prevented on an uninterrupted basis.