OVERVIEW

Prior to the [**REDACTED**], we have entered into certain transactions with parties who will, upon the [**REDACTED**], become connected persons of our Company. Details of such continuing connected transactions are set out below.

The table below sets forth certain parties who will become our connected persons upon the [**REDACTED**] and the nature of their relationships with our Company.

Connected Person	Connected Relationship
Shuyi Property Service Co., Ltd. (曙一物業服務有限公司) ("**Shuyi Property**," together with its subsidiaries, the "**Shuyi Group**") . .	As of the Latest Practicable Date, Shuyi Property was wholly owned by AUX International Holdings Limited (奥克斯國際控股有限公司), a company listed on the Stock Exchange (stock code: 2080) and owned as to 68.55% as to Huiri Limited, a company incorporated in the British Virgin Islands with limited liability, which is in turn owned as to 90% by Ze Hui Limited, which is wholly owned by Mr. ZHENG Jianjiang. Therefore, Shuyi Property is a connected person of our Company under Rule 14A.07 of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following table sets forth a summary of our partially-exempt continuing connected transactions upon the [**REDACTED**]:

Transaction	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, 2026
Partially-exempt continuing connected transactions			
Shuyi Framework Agreement (Ningbo Sanxing)	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from announcement requirement	RMB15.1 million
Shuyi Framework Agreement (Mingzhou Healthcare)	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from announcement requirement	RMB41.5 million

Shuyi Framework Agreement (Ningbo Sanxing)

Principal Terms

Our Company entered into a service procurement framework agreement (the "**Shuyi Framework Agreement I (Ningbo Sanxing)**") with Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) on November 27, 2023 and entered into a supplemental agreement to amend certain terms of Shuyi Framework Agreement I (Ningbo Sanxing) (the "**Supplemental Agreement**," together with Shuyi Framework Agreement I, collectively "**Shuyi Framework Agreement (Ningbo Sanxing)**"), pursuant to which Shuyi Group shall be commissioned to provide property management services, including maintenance, cleaning and/or security services in connection with the offices, car park units and industrial park occupied by our Group.

The Shuyi Framework Agreement (Ningbo Sanxing) has an initial term commencing from January 1, 2024 till December 31, 2026.

Historical Amount

The following table sets forth the historical transaction amounts of the procurement of the aforementioned services by our Group from Shuyi Group during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
Historical Transaction Amount *(RMB in million)*	1.99	8.91	8.90

Annual Cap

The proposed annual cap for the transaction amount under the Shuyi Framework Agreement (Ningbo Sanxing) for the year ending December 31, 2026 is RMB15.1 million.

Basis of Annual Cap

The proposed annual caps under the Shuyi Framework Agreement (Ningbo Sanxing) were determined with reference to historical transaction amounts at the time of entering into the Shuyi Framework Agreement (Ningbo Sanxing) and are primarily based on the projected demand for relevant services from our Group. This demand is expected to increase alongside the expansion of its industrial park network. The proposed annual caps also factor in the anticipated wage levels of Shuyi Group's workers, which are expected to remain stable, taking into account prevailing market conditions and historical trends.

Pricing Policies

The transactions under the Shuyi Framework Agreement (Ningbo Sanxing) will be conducted on normal commercial terms. The service fees payable by us will be determined on an arm's length basis and set out in specific service agreements, taking into account factors such as the number of workers required and the applicable service fee per worker. The markup included in the service fee will be determined with reference to prevailing market levels, comparable services provided to independent third parties, or, where such data is unavailable, a reasonable minimum threshold.

In light of the above, our Directors believe that our procurement of services under the Shuyi Framework Agreement (Ningbo Sanxing) have been and will be conducted in the ordinary and usual course of business of our Group, on an arm's length basis and on normal commercial terms or better.

Specific Services Agreements

The parties under the Shuyi Framework Agreement (Ningbo Sanxing) will enter into, from time to time and as necessary, individual specific services agreements in respect of each individual hospital facility setting out the specific terms and conditions, including, among others, the agreed number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services, service fee per worker, and service scope. Any such services agreements will be within the ambit of the Shuyi Framework Agreement (Ningbo Sanxing) and shall not contravene the provisions of the Shuyi Framework Agreement (Ningbo Sanxing).

Reasons for and Benefits of the Transactions

Shuyi Group is an experienced property management operator with nearly two decades of expertise, offering services across various sectors, including hospitals, residential, commercial, and industrial properties, with operations spanning 13 provinces and cities across China. Our business relationship with Shuyi Group has been well-established, as it has consistently delivered high-quality and reliable property management services to our industrial park network under reasonable terms over an extended period.

As a healthcare provider, our Group requires service providers that can meet stringent standards, offering meticulous attention to detail, a high level of expertise and capability, while maintaining cost-effectiveness. Shuyi Group's extensive experience, operational expertise, and proven track record make it well-suited to meet these demands and continue supporting our operational needs.

Considering the growing demand for the relevant services driven by our expanding industrial park network, the professionalism and reliability of Shuyi Group, and the favorable terms offered under the Shuyi Framework Agreement (Ningbo Sanxing), our Directors believe that it will be beneficial to our Group to enter into such transactions with Shuyi Group.

Shuyi Framework Agreement (Mingzhou Healthcare)

Principal Terms

Mingzhou Healthcare Group (for itself and as trustee for the benefit of its subsidiaries from time to time) entered into a service procurement framework agreement (the "**Shuyi Framework Agreement (Mingzhou Healthcare)**") with Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) on November 27, 2023, pursuant to which Mingzhou Healthcare Group agreed to procure the following services from Shuyi Group: (i) property housekeeping services, including daily housekeeping and cleaning in areas within the hospital premises and in respect of, among others, medical equipment, furniture and fixtures therein, daily housekeeping and cleaning in all public areas, collection and management of clinical and other wastes, and sanitation of hospital beds, equipment and disposable products, among others; (ii) transportation services, including ushering patients to appropriate areas for check-ups and treatments, delivery of testing samples and relevant paper records to respective departments of the hospital(s), preparation of sanitation materials and delivery of sanitization materials and disposable hygiene products, management of cleaning supplies, transportation of large volume parenteral (LVP) within the hospital area, custody and transportation of pure water, transportation of furniture within the hospital area, and collection and reporting of transportation data, among others; (iii) blood transportation services; (iv) order maintenance services, such as maintenance of good public order within the hospital area, management and performance of fire and disaster prevention work, provision of assistance to hospital staff in handling of medical dispute incidents, and ensuring safety of hospital personnel and safekeeping of hospital assets; (v) property maintenance management services, such as ensuring construction projects are conducted in an orderly manner, and regular inspection of high voltage power distribution room, drainage system, fire pump system, lighting system, water purification system and sewage treatment facilities; (vi) elevator operation services, including daily inspection of the elevators within the hospital area and provision of assistance to users of the elevators; (vii) auxiliary medical services, such as provision of assistance to nurses in daily performance of their duties, cleaning and sanitization of hospital beds and management of hospital storage rooms and furniture; (viii) provision of personal nursing support to patients by qualified professional caretakers; (ix) provision of security services to safeguard hospital equipment; and (x) landscaping services within the hospital area.

The Shuyi Framework Agreement (Mingzhou Healthcare) has an initial term commencing from January 1, 2024 till December 31, 2026.

Historical Amount

The following table sets forth the historical transaction amounts of the procurement of the aforementioned services by Mingzhou Healthcare Group from Shuyi Group during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
Historical Transaction Amount *(RMB in million)*	25.45	14.90	11.23

Annual Cap

The proposed annual cap for the transaction amount under the Shuyi Framework Agreement (Mingzhou Healthcare) for the year ending December 31, 2026 is RMB41.5 million.

Basis of Annual Cap

The proposed annual caps under the Shuyi Framework Agreement (Mingzhou Healthcare) were determined with reference to historical transaction amounts at the time of entering into the Shuyi Framework Agreement (Mingzhou Healthcare) and are primarily based on the projected demand for relevant services from Mingzhou Healthcare Group. This demand is expected to increase alongside the expansion of Mingzhou Healthcare Group's hospital network and rising service quality requirements. The proposed annual caps also factor in the anticipated wage levels of Shuyi Group's workers, which are expected to remain stable, taking into account prevailing market conditions and historical trends.

Pricing Policies

The transactions under the Shuyi Framework Agreement (Mingzhou Healthcare) will be conducted on normal commercial terms. The service fees payable by us will be determined on an arm's length basis and set out in specific service agreements, taking into account factors such as the number of workers required and the applicable service fee per worker. The markup included in the service fee will be determined with reference to prevailing market levels, comparable services provided to independent third parties, or, where such data is unavailable, a reasonable minimum threshold.

In light of the above, our Directors believe that Mingzhou Healthcare Group's procurement of services under the Shuyi Framework Agreement (Mingzhou Healthcare) have been and will be conducted in the ordinary and usual course of business of our Group, on an arm's length basis and on normal commercial terms or better.

Specific Services Agreements

The parties under the Shuyi Framework Agreement (Mingzhou Healthcare) will enter into, from time to time and as necessary, individual specific services agreements in respect of each individual hospital facility setting out the specific terms and conditions, including, among others, the agreed number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services, service fee per worker, and service scope. Any such services agreements will be within the ambit of the Shuyi Framework Agreement (Mingzhou Healthcare) and shall not contravene the provisions of the Shuyi Framework Agreement (Mingzhou Healthcare).

Reasons for and Benefits of the Transactions

Shuyi Group is an experienced property management operator with nearly two decades of expertise, offering services across various sectors, including hospitals, residential, commercial, and industrial properties, with operations spanning 13 provinces and cities across China. Our business relationship with Shuyi Group has been well-established, as it has consistently delivered high-quality and reliable property management services to our hospital network under reasonable terms over an extended period.

As a healthcare provider, Mingzhou Healthcare Group requires service providers that can meet stringent standards, offering meticulous attention to detail, a high level of expertise and capability, while maintaining cost-effectiveness. Shuyi Group's extensive experience, operational expertise, and proven track record make it well-suited to meet these demands and continue supporting our operational needs.

Considering the growing demand for the relevant services driven by our expanding hospital network, the professionalism and reliability of Shuyi Group, and the favorable terms offered under the Shuyi Framework Agreement (Mingzhou Healthcare), our Directors believe that it will be beneficial to our Group to enter into such transactions with Shuyi Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (other than the profit ratio) for the transactions contemplated under the Shuyi Framework Agreement (Ningbo Sanxing) and the Shuyi Framework Agreement (Mingzhou Healthcare) (collectively, the "**CCT Framework Agreements**") will be no less than 0.1% but will not exceed 5%, the transactions conducted under the Shuyi Framework Agreement (Ningbo Sanxing) and the Shuyi Framework Agreement (Mingzhou Healthcare) are continuing connected transactions exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements but are subject to the relevant annual reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

INTERNAL CONTROL PROCEDURES

Our Group adopts the following internal control measures to ensure that the transactions will be carried out in accordance with the terms of the CCT Framework Agreements, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

(i) to meet the management requirements of the Stock Exchange in relation to the CCT Framework Agreements and transactions contemplated thereunder, our Group has formulated internal guidelines for connected transactions based on the applicable requirements under the Listing Rules, which further clarifies the duties of each functional department with respect to the connected transactions so as to ensure that all transactions under the CCT Framework Agreements are effectively monitored and supervised and are in the interests of our Company and our Shareholders as a whole;

(ii) the supply chain department of our Group will supervise and monitor the individual agreements to be entered into under the CCT Framework Agreements to ensure that they will be entered into in accordance with the pricing policies under the CCT Framework Agreements;

(iii) our Group will constantly research into prevailing market conditions and practices and make reference to the pricing and terms between our Group and Independent Third Parties for similar transactions so as to ensure that the price provided by the connected persons is fair and reasonable, and is determined on normal commercial terms or on terms no less favorable to our Group than the terms available from Independent Third Parties;

(iv) upon the [**REDACTED**], our Group will comply with the annual review requirements in respect of the transactions contemplated under the CCT Framework Agreements in accordance with Chapter 14A of the Listing Rules, such as engaging our Company's auditor to conduct annual review and having the independent non-executive Directors to review the transactions contemplated under such agreements and give opinions/confirmations in our Company's annual reports;

(v) the finance department of our Group will monitor the transaction amounts under each of the CCT Framework Agreements by preparing designated management accounts for the continuing connected transactions therein on a monthly basis to make sure that the actual contract amounts do not exceed the relevant annual caps. If it is expected that the transaction amount of any continuing connected transaction that is or will be incurred in the financial year will reach or exceed the relevant annual caps, the finance department of our Group shall report to the management and consider the measures to be taken to ensure that the requirements under the Listing Rules are complied with, including obtaining the approval of independent Shareholders (if required); and

(vi) if any revision or adjustment on the terms of the individual agreement under the CCT Framework Agreements is necessary, provided such revision or adjustment is in compliance with the CCT Framework Agreements, an approval application will be made by the supply chain department of our Group and approved by, among others, the legal team, the Board secretary office and other responsible department (if applicable) of our Group.

WAIVER

In respect of the transactions as contemplated under the CCT Framework Agreements described above, we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules. Save for the announcement requirement for which a waiver has been sought, our Group will comply with all other relevant requirements under Chapter 14A of the Listing Rules with respect to the CCT Framework Agreements and the transactions contemplated thereunder.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that (i) the CCT Framework Agreements and the transactions contemplated thereunder set out above are entered into in the ordinary and usual course of our business on normal commercial terms or better which are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (ii) the proposed monetary annual caps in respect of the CCT Framework Agreements are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Having considered the above, the Sole Sponsor is of the view that (i) the CCT Framework Agreements and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of our Company on normal commercial terms or better which are fair and reasonable, and in the interests of our Company and the Shareholders as a whole; and (ii) the proposed monetary annual caps in respect of the CCT Framework Agreements are fair and reasonable and in the interests of our Company and the Shareholders as a whole.