Jinxin Fertility Group Limited
錦欣生殖醫療集團有限公司 *
(Incorporated under the laws of the Cayman Islands with limited liability)
(Stock Code: 1951)

(1) COMPLETION OF CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 5.46% EQUITY INTEREST IN SHENZHEN ZHONGSHAN HOSPITAL (2) THE NEW CONTRACTUAL ARRANGEMENTS

Reference is made to the announcement dated April 13, 2022 (the "**Announcement**") of Jinxin Fertility Group Limited (the "**Company**") in relation to the acquisition of 5.46% equity interest in Shenzhen Zhongshan Hospital. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement, unless defined otherwise.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that Completion of the Acquisition took place on August 25, 2022 in accordance with the terms and conditions of the Equity Transfer Agreement. Following Completion of the Acquisition, Shenzhen Zhongshan Hospital, the WFOE, the Purchaser and the Registered Shareholders entered into the new contractual arrangements (the "**New Contractual Arrangements**") in respect of the Target Equity Interest on August 25, 2022 and have become effective according to the provisions thereof. Further details on the New Contractual Arrangements are set out below. As of the date of this announcement, the Company now indirectly holds 70.00% equity interest in Shenzhen Zhongshan Hospital and controls 29.90% equity interest in Shenzhen Zhongshan Hospital by virtue of the Contractual Arrangements.

ADDITIONAL INFORMATION ON THE ACQUISITION

Further, the Board wishes to provide certain additional information in relation to the Acquisition as follows:

Basis of Consideration

In anticipation of the growth and increasing demand for assisted reproductive services ("**ARS**") in Shenzhen and within the Greater Bay Area in the next 10 years from the expected increase in population and demand in the region, the Group has invested and devoted significant resources into expanding the business and operations of Shenzhen Zhongshan Hospital, which includes the recent acquisition of a new building near the premises of Shenzhen Zhongshan Hospital to facilitate such expansion and is expected to commence operation in 2023. The current premises of Shenzhen Zhongshan Hospital has been operating at near full capacity and the new building will enable Shenzhen Zhongshan Hospital to expand its current scale of service and the opportunity to offer a more diversified range of services to its patients covering the full fertility lifecycle covering ARS services, obstetrics, gynecology, pediatrics and andrology medical services, which is expected to bolster the revenue and financial position of the Shenzhen Zhongshan Hospital in the near future. As such, the Acquisition will allow the Group to reap substantially all the economic benefits from its investments made into Shenzhen Zhongshan Hospital in the future.

In determining the amount of the Consideration, the Company has taken into account, among other factors, the consideration previously paid for in the Prior Acquisition, which was based on the valuation range between RMB2.09 billion and RMB2.50 billion as appraised by the independent valuer engaged for the Prior Acquisition. No independent valuer was engaged to conduct further valuation on Shenzhen Zhongshan Hospital for the Acquisition. Notwithstanding that the Consideration is higher than the consideration for the Prior Acquisition, the Consideration still falls within the valuation range based on the valuation report prepared by the independent valuer. For details of the valuation methodologies, assumptions made and confirmations given by the Company's reporting accountants on the valuation of Shenzhen Zhongshan Hospital conducted for the purpose of the Prior Acquisition, please see the announcement dated January 27, 2022 by the Company for further details.

By virtue of the aforesaid, the Board is of the view that the Consideration is fair and reasonable, and the Acquisition is in the interest of the Company and its Shareholders as a whole.

THE NEW CONTRACTUAL ARRANGEMENTS

On August 25, 2022, Shenzhen Zhongshan Hospital entered into the New Contractual Arrangements with the WFOE and the Purchaser, the terms and conditions of which are substantially the same as those of the Existing Contractual Arrangements, upon which the economic benefit in relation to the additional 5.46% of equity interest in Shenzhen Zhongshan Hospital held by the Purchaser will be consolidated into the Group's results.

In conjunction with the completion of the Acquisition, the Company underwent a corporate reorganization in respect of its beneficial ownership in Shenzhen Zhongshan Hospital to terminate the series of contractual arrangements with Mr. Zeng of the 5.46% equity interest in Shenzhen Zhongshan Hospital, which was being held in his name, and transferred the legal ownership of the respective equity interest to the Purchaser at nil consideration (the "**Reorganization**"). As a result of the Reorganization, Shenzhen Zhongshan Hospital, Sichuan Jinxin Fertility, the Purchaser and the Registered Shareholders entered into a new series of contractual arrangements in respect to the 10.92% equity interest in Shenzhen Zhongshan Hospital (as a result of the Reorganization and the Acquisition), where the Company will then indirectly hold 70.00% equity interest in Shenzhen Zhongshan Hospital and control 29.90% equity interest in Shenzhen Zhongshan Hospital held by the Purchaser, as further described below.

Therefore, the financial results of Shenzhen Zhongshan Hospital will continue to be consolidated into the Group's consolidated accounts following Completion of the Acquisition and the New Contractual Arrangements and based on discussion with the Company's auditor, the Company has confirmed that it has the right to do so under the prevailing accounting principles. As of the date of this announcement, the Target Group has not encountered any interference or encumbrance from any governing bodies in operating its business through Shenzhen Zhongshan Hospital under the New Contractual Arrangements.

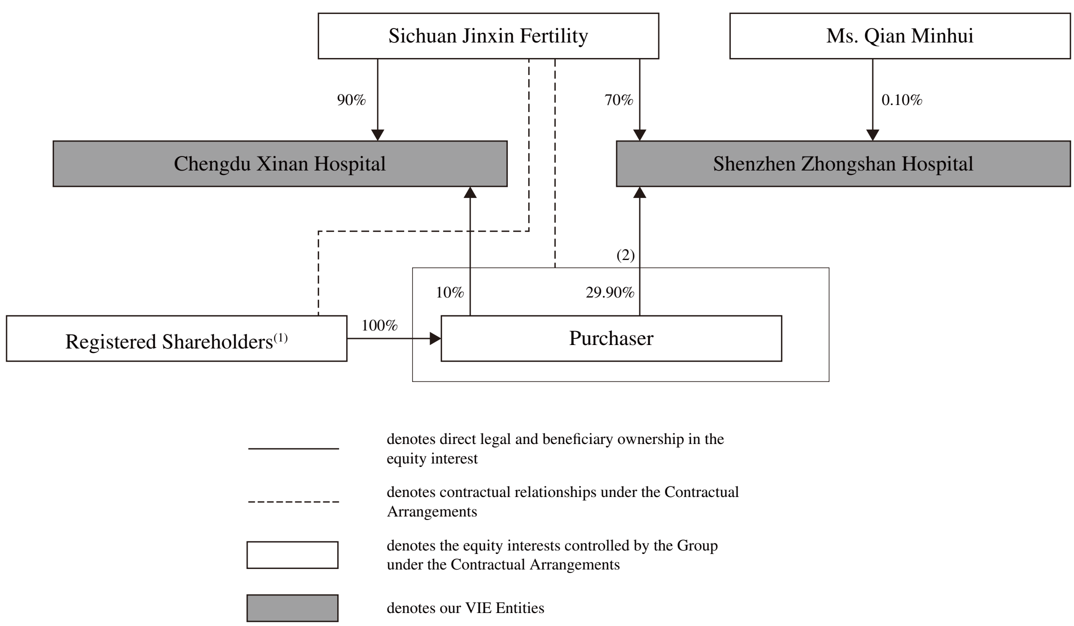
Reasons for the New Contractual Arrangements

As disclosed in the section headed "Contractual Arrangements" in the Prospectus, due to applicable PRC laws and regulatory restrictions on foreign ownership, medical institutions may not be held 100.00% by foreign investors, and foreign investments are restricted to the form of Sino-foreign equity joint venture or cooperative joint venture. Furthermore, as advised by the PRC Legal Advisors, the competent authority for foreign investment administration in Shenzhen (namely the Commerce Bureau of Shenzhen Municipality (深圳市商務局)) (the "**Competent Authority**") is of the view that the Company, as a foreign entity, shall not directly or indirectly hold more than 70.00% equity interest in medical institutions in Shenzhen, the PRC (the "**Foreign Ownership Restriction**"). Therefore, the Group had put in place the Existing Contractual Arrangements which are designed to allow the Company to prevent leakages of equity and values of Shenzhen Zhongshan Hospital and to receive the proportionate economic interest returns generated by Shenzhen Zhongshan Hospital.

As advised by the PRC Legal Advisors, Shenzhen Zhongshan Hospital is a medical institution established in Shenzhen, the PRC and is subject to the Foreign Ownership Restriction and as such, the Company is allowed to hold a maximum of 70.00% equity interest in Shenzhen Zhongshan Hospital. Following the Completion of the Acquisition and the Reorganization, the Purchaser increases its ownership in Shenzhen Zhongshan Hospital by 10.92% equity interest and owns an aggregate of 29.90% equity interest. In order for the Group to obtain the economic benefits in relation to the 10.92% of equity interest in Shenzhen Zhongshan Hospital to be held by the Purchaser, and to prevent leakages of equity and values of Shenzhen Zhongshan Hospital, the WFOE, the Purchaser and Shenzhen Zhongshan Hospital have entered into the narrowly tailored New Contractual Arrangements. As confirmed by the PRC Legal Advisors, the Group obtained confirmation from the Competent Authority that the New Contractual Arrangements in compliance with the applicable PRC laws and regulatory restrictions on foreign ownership in order to enable the Group to conduct business in the medical industry.

Details of the New Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefit from Shenzhen Zhongshan Hospital to the Group under the Contractual Arrangements:



Notes:

1) The Registered Shareholders are Ms. Yan Xiaoqing and Ms. Zhu Yujuan, who holds 51.00% and 49.00% of the equity interests in Jinrun Fude, respectively.

2) The exclusive operations service agreements, exclusive option agreements, powers of attorney, equity pledge agreements and spouse undertaking together form the legal relationship under the Contractual Arrangements.

Principal Terms of the New Contractual Arrangements

The principal terms of the New Contractual Arrangements which the terms and conditions of which are the same terms and conditions as those of the Existing Contractual Arrangements, are summarized as follows:

Exclusive Operation Services Agreement

The Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital have entered into an exclusive operation services agreement with the WFOE (the "**Exclusive Operation Services Agreement**"), pursuant to which, Shenzhen Zhongshan Hospital and the Purchaser agree to engage the WFOE as their exclusive provider of technical support, consulting services and other services in exchange for a service fee.

Under the Exclusive Operation Services Agreement, the services to be provided include but are not limited to (i) business, financing and investment; (ii) medical technology related consultation, medical resources sharing and medical professionals training; (iii) human resources management; (iv) market research; (v) strategies for marketing and business expansion; (vi) supplier and inventory management; (vii) operation and marketing strategy formulation and monitoring; (viii) medical service quality control; (ix) internal management; and (x) other services relating to management and operation of medical institutions and shareholder's rights. The WFOE has proprietary rights to all the intellectual properties developed or created by itself from the performance of these services. During the term of the Exclusive Operation Service Agreement, the WFOE may use the intellectual property rights owned by the Purchaser and Shenzhen Zhongshan Hospital free of charge and without any conditions. The Purchaser and Shenzhen Zhongshan Hospital may also use the intellectual property work created by the WFOE from the services performed by the WFOE in accordance with the Exclusive Operation Service Agreement.

Under the Exclusive Operation Services Agreement, the service fee shall be an amount equal to 10.92% of the distributable net profit of Shenzhen Zhongshan Hospital of a given audited financial year, after deducting losses from the previous financial years (if any) and any statutory provident fund (if applicable). Apart from the service fees, the Purchaser and Shenzhen Zhongshan Hospital shall reimburse all reasonable costs, reimbursed payments and out-of-pocket expenses incurred by the WFOE in connection with the performance of the Exclusive Operation Services Agreement and provision of services.

In addition, absent of a prior written consent of the WFOE, during the term of the Exclusive Operation Services Agreement, the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationships with any third party. The WFOE has the right to appoint any third party to provide any or all of the services, or to fulfill its obligations under the Exclusive Operation Services Agreement.

The Exclusive Operation Services Agreement shall become effective from August 25, 2022, and shall remain valid for three years and shall, subject to compliance with the Listing Rules, be automatically renewed for three years each time when its term ends, unless being terminated in accordance with the terms therein.

According to the Exclusive Operation Services Agreement, unless otherwise required by applicable PRC laws and regulations, none of the parties to the agreement (except the WFOE) is entitled to unilaterally terminate the agreement. Furthermore, pursuant to the Exclusive Operation Services Agreement, it may only be terminated in the event that (i) continued performance of the obligations of the agreement will result in violation of or non-compliance with the applicable PRC laws and regulations, the Listing Rules or the requirements of the Stock Exchange; (ii) the WFOE or its designated person directly holds all the equity interest in the Purchaser, and all of the Registered Shareholders' equity interest in the Purchaser or all of the assets of the Purchaser attributable to the Registered Shareholders are transferred to the WFOE pursuant to applicable PRC laws and regulations; (iii) the WFOE or its designated person directly holds all the equity interest in Shenzhen Zhongshan Hospital and all of the Purchaser's equity interest in Shenzhen Zhongshan Hospital or all of the assets of Shenzhen Zhongshan Hospital attributable to the Purchaser are transferred to the WFOE pursuant to applicable PRC laws and regulations; or (iv) the WFOE unilaterally terminates the agreement.

Exclusive Option Agreements

The WFOE, the Registered Shareholders, the Purchaser and/or Shenzhen Zhongshan Hospital have entered into exclusive option agreements (the "**Exclusive Option Agreements**").

Pursuant to the Exclusive Option Agreements, (i) each of the Registered Shareholders irrevocably and unconditionally grants an exclusive option to the WFOE which entitles the WFOE to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in the Purchaser itself or through its designated person(s); (ii) the Purchaser irrevocably and unconditionally grants an exclusive option to the WFOE which entitles the WFOE to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of the Purchaser itself or through its designated person(s); (iii) the Purchaser irrevocably and unconditionally grants an exclusive option to the WFOE which entitles the WFOE to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the 10.92% equity interest in Shenzhen Zhongshan Hospital from the Purchaser itself or through its designated person(s); and (iv) Shenzhen Zhongshan Hospital irrevocably and unconditionally grants an exclusive option to the WFOE which entitles the WFOE to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Shenzhen Zhongshan Hospital attributable to the Purchaser from Shenzhen Zhongshan Hospital itself or through its designated person(s), the WFOE may appoint designated person(s) in its sole discretion when exercising its option. The transfer price of the relevant equity interest and assets shall be the minimum purchase price permitted under PRC law, and each of the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital will undertake that he/she/it will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer of equity interest or assets to the WFOE.

The Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital undertake to develop the business of Shenzhen Zhongshan Hospital and not to take any action which may affect its asset value, goodwill and effectiveness of business licenses. Furthermore, in the absence of prior written consent of the WFOE, the Registered Shareholders and the Purchaser shall not (i) transfer or otherwise dispose of any option under the Exclusive Option Agreements, or create any encumbrances thereon; and Shenzhen Zhongshan Hospital shall not assist in transferring or otherwise disposing of any option under the Exclusive Option Agreements, or creating any encumbrances thereon; and (ii) directly or indirectly (by itself or through the entrustment of any other natural person or legal person entity) carry out, own or acquire any business compete with or likely compete with the business of the WFOE or the Group.

In addition, the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital undertake that, upon the WFOE issuing the notice to exercise the option in accordance with the Exclusive Option Agreements, they will implement necessary actions to affect the transfer and relinquish any pre-emptive right, if any. Each of the parties to the Exclusive Option Agreements confirms and agrees that (i) in the event of a dissolution or liquidation of the Purchaser and Shenzhen Zhongshan Hospital (as applicable) under the PRC laws, all the residual assets which are attributable to the Registered Shareholders and the Purchaser shall be transferred to the WFOE or its designated person(s) at the minimum purchase price permitted under PRC law, and each of the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital undertakes that they will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer to the WFOE or its designated person(s); and (ii) in the event of bankruptcy, reorganization or merger of the Purchaser, death or incapacity of the Registered Shareholders or any other event which causes changes to the Registered Shareholders' shareholding in the Purchaser and the Purchaser's shareholding in Shenzhen Zhongshan Hospital, (a) the successor of the Registered Shareholders' equity interest in the Purchaser and the successor of the Purchaser's equity interest in Shenzhen Zhongshan Hospital shall be bound by the New Contractual Arrangements, and (b) any disposal of shareholding in the Purchaser and Shenzhen Zhongshan Hospital shall be governed by the New Contractual Arrangements unless the WFOE consents otherwise in writing.

The Exclusive Option Agreements shall become effective according to the provisions thereof. The Exclusive Option Agreements have an indefinite term and a termination provision which stipulates that unless otherwise required by applicable PRC laws and regulations, none of the parties to the agreement (except the WFOE) is entitled to unilaterally terminate the agreement.

The Exclusive Option Agreements may only be terminated in the event that (i) continued performance of the obligations of the agreement will result in violation of or non-compliance with the applicable laws and regulations, the Listing Rules or the requirements of the Stock Exchange; (ii) the WFOE or its designated person directly holds all the equity interest in the Purchaser, and all of the Registered Shareholders' equity interest in the Purchaser or all of the assets of the Purchaser attributable to the Registered Shareholders are transferred to the WFOE pursuant to applicable PRC laws and regulations; (iii) the WFOE or its designated person directly holds all the equity interest in Shenzhen Zhongshan Hospital and all of the Purchaser's equity interest in Shenzhen Zhongshan Hospital or all of the assets of Shenzhen Zhongshan Hospital attributable to the Purchaser are transferred to the WFOE pursuant to applicable PRC laws and regulations; or (iv) the WFOE unilaterally terminates the agreement.

The PRC Legal Advisors has advised the Group that the Exclusive Option Agreements would be legal, valid and binding on the parties upon execution, except for the provisions that (i) an arbitral body may grant injunctive relief or directly issue liquidation order against the WFOE; and (ii) interim remedies or enforcement order may be granted by overseas courts such as the courts of Hong Kong and the Cayman Islands, which may not be enforceable under PRC laws.

Shareholders' Rights Entrustment Agreements and Powers of Attorney

The WFOE, the Purchaser and the Registered Shareholders and/or Shenzhen Zhongshan Hospital have entered into the shareholders' rights entrustment agreements (the "**Shareholders' Rights Entrustment Agreements**") and the powers of attorney executed by the Registered Shareholders, the Purchaser (the "**Powers of Attorney**") in favor of the WFOE (and its successors or liquidators) or a natural person designated by the WFOE (excluding Ms. Yan Xiaoqing, one of the Registered Shareholders and a non-executive Director, and any person who is not independent or who may give rise to a conflict of interest) (the "**Attorney**").

Pursuant to the Shareholders' Rights Entrustment Agreements and the Powers of Attorney, (i) the Registered Shareholders irrevocably agree to authorize the Attorney to exercise all of their rights and powers as a shareholder of the Purchaser (as applicable); and (ii) the Purchaser irrevocably agrees to authorize the Attorney to exercise all of its rights and powers of a shareholder of Shenzhen Zhongshan Hospital with 10.92% equity interest, including the rights to vote in a shareholders' meeting, sign minutes, and file documents with the relevant companies registry. As the WFOE is a subsidiary of the Company, the terms of the Shareholders' Rights Entrustment Agreements and the Powers of Attorney will give the Company control over all corporate decisions of Shenzhen Zhongshan Hospital and approximately 99.90% equity interest of Shenzhen Zhongshan Hospital.

The Shareholders' Rights Entrustment Agreements shall become effective from according to the provisions thereof. Each of the Powers of Attorney has an indefinite term and a termination provision which stipulates that unless otherwise required by applicable PRC laws and regulations, none of the parties to the agreement (except the WFOE) is entitled to unilaterally terminate it.

The Shareholders' Rights Entrustment Agreements may only be terminated in the event that (i) continued performance of the obligations of the agreement will result in violation of or non-compliance with the applicable laws and regulations, the Listing Rules or the requirements of the Stock Exchange; (ii) the WFOE or its designated person directly holds all the equity interest in the Purchaser, and all of the Registered Shareholders' equity interest in the Purchaser or all of the assets of the Purchaser attributable to the Registered Shareholders are transferred to the WFOE pursuant to applicable PRC laws and regulations; (iii) the WFOE or its designated person directly holds all the equity interest in Shenzhen Zhongshan Hospital and all of the Purchaser's equity interest in Shenzhen Zhongshan Hospital or all of the assets of Shenzhen Zhongshan Hospital attributable to the Purchaser are transferred to the WFOE pursuant to applicable PRC laws and regulations; or (iv) the WFOE unilaterally terminates the agreement.

Equity Pledge Agreements

The WFOE, the Registered Shareholders, the Purchaser, and/or Shenzhen Zhongshan Hospital have entered into the equity pledge agreements (the "**Equity Pledge Agreements**"). Pursuant to the Equity Pledge Agreements, (i) the Registered Shareholders agree to pledge all of their respective equity interest in the Purchaser; and (ii) the Purchaser agrees to pledge its 10.92% equity interest in Shenzhen Zhongshan Hospital to the WFOE to secure performance of all their obligations and the obligations of Shenzhen Zhongshan Hospital under the Exclusive Option Agreement, the Powers of Attorney and the Equity Pledge Agreements underlying the New Contractual Arrangements.

If Shenzhen Zhongshan Hospital and the Purchaser declare any dividend during the term of the pledge, the WFOE is entitled to receive all dividends or other income arising from the pledged equity interest, if any. In case of any breach of obligations by any of the Purchaser, the Registered Shareholders and Shenzhen Zhongshan Hospital, the WFOE, upon issuing a written notice to the Registered Shareholders or the Purchaser, will be entitled to all remedies available in the New Contractual Arrangements including but not limited to disposing of the pledged equity interest.

In addition, pursuant to the Equity Pledge Agreements, the Registered Shareholders and the Purchaser undertake to the WFOE, among other things, not to transfer their pledged equity interest and not to create or allow any pledge or encumbrance thereon that may affect the rights and interest of the WFOE without its prior written consent. The Purchaser and Shenzhen Zhongshan Hospital undertake to the WFOE, among other things, not to consent to any transfer the pledged equity interest or to create or allow any pledge or encumbrance thereon without the WFOE's prior written consent.

The pledges in respect of the Purchaser and Shenzhen Zhongshan Hospital would take effect upon the completion of registration with the local administration bureau for market regulation. The Group have registered the equity pledge in respect of the Purchaser contemplated under the respective Equity Pledge Agreements with the relevant PRC legal authority pursuant to PRC laws and regulations and the Group will register the equity pledge in respect of Shenzhen Zhongshan Hospital contemplated under the respective Equity Pledge Agreements with the relevant PRC legal authority pursuant to PRC laws and regulations upon signing of the Equity Pledge Agreements.

The Equity Pledge Agreements shall become effective according to the provisions thereof. The Equity Pledge Agreements have an indefinite term and a termination provision which stipulates that unless otherwise required by applicable PRC laws and regulations, none of the parties to the agreement (except the WFOE) is entitled to unilaterally terminate it.

The Equity Pledge Agreements may only be terminated in the event that (i) continued performance of the obligations of the agreement will result in violation of or non-compliance with the applicable laws and regulations, the Listing Rules or the requirements of the Stock Exchange; (ii) the WFOE or its designated person directly holds all the equity interest in the Purchaser, and all of the Registered Shareholders' equity interest in the Purchaser or all of the assets of the Purchaser attributable to the Registered Shareholders are transferred to the WFOE pursuant to applicable PRC laws and regulations; (iii) the WFOE or its designated person directly holds all the equity interest in Shenzhen Zhongshan Hospital and all of the Purchaser's equity interest in Shenzhen Zhongshan Hospital or all of the assets of Shenzhen Zhongshan Hospital attributable to the Purchaser are transferred to the WFOE pursuant to applicable PRC laws and regulations; or (iv) the WFOE unilaterally terminates the agreement.

Spouse Undertaking

The spouse of the Registered Shareholders (as applicable) has signed an undertaking (the "**Spouse Undertaking**") to the effect that the interests of the Registered Shareholder in the Purchaser (together with any other interests therein) do not fall within the scope of joint possession, and the spouse has no right to or control over such interests of the Registered Holder and will not have any claim on such interests.

The PRC Legal Advisors are of the view that, upon execution (i) the above arrangements would provide protection to the Group even in the event of death or divorce of the Registered Shareholder; and (ii) the death or divorce of such shareholder would not affect the validity of the New Contractual Arrangements, and the WFOE or the Company can still enforce their right under the New Contractual Arrangements against the Registered Shareholder and their successors.

Common terms of the New Contractual Arrangements

Dispute Resolution

Each of the agreements under the New Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the New Contractual Arrangements, any party has the right to submit the relevant dispute to the Chengdu Arbitration Commission for arbitration, in accordance with the then effective arbitration rules.

The arbitration shall be confidential and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award remedies over the shares or assets of the Purchaser and Shenzhen Zhongshan Hospital or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of the Purchaser and Shenzhen Zhongshan Hospital; any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC and the places where the principal assets of the WFOE or the Purchaser or Shenzhen Zhongshan Hospital are located for interim remedies or injunctive relief.

However, the PRC Legal Advisors have advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of the Purchaser and Shenzhen Zhongshan Hospital pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

As a result of the above, in the event that the Purchaser, Shenzhen Zhongshan Hospital or the Registered Shareholders breach any terms of the New Contractual Arrangements, the Group may not be able to obtain sufficient remedies in a timely manner, and the Group's ability to exert (i) fully effective control over the Purchaser, (ii) 99.90% effective control over Shenzhen Zhongshan Hospital and conduct the Group's business could be materially and adversely affected. See the section headed "Risks Relating to the New Contractual Arrangements" in this announcement for further details.

Succession

As advised by the PRC Legal Advisors, the provisions set out in the New Contractual Arrangement, upon execution, would be also binding on any successor(s) of the Registered Shareholders as if such successors were a signing party to the New Contractual Arrangements. As such, any breach by the successors would be deemed to be a breach of the New Contractual Arrangements. Under the Civil Code of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents. In the case of a breach, the WFOE can enforce its rights against the successors. Pursuant to the New Contractual Arrangements, in the event of changes in the shareholding of the Purchaser, any successor(s) of the Purchaser shall assume any and all rights and obligations of the Purchaser under the New Contractual Arrangements as if such successor were a signing party to the relevant contract.

Conflicts of Interests

Each of the Registered Shareholders and the Purchaser undertakes that, during the period that the New Contractual Arrangements remain effective, they shall not take or omit to take any action which may lead to a conflict of interest with the WFOE or the WFOE's direct or indirect shareholders. If there is any conflict of interest, the WFOE shall have the right to decide in its sole discretion on how to deal with such conflict of interest in accordance with the applicable PRC laws. The Registered Shareholders and the Purchaser will unconditionally follow the instructions of the WFOE to take any action to eliminate such conflict of interest.

Loss Sharing

Under the relevant PRC laws and regulations, none of the Company or the WFOE is legally required to share the losses of, or provide financial support to the Purchaser and Shenzhen Zhongshan Hospital. Further, the Purchaser and Shenzhen Zhongshan Hospital are limited liability companies and shall be solely liable for its own debts and losses with assets and properties owned by them. In addition, given that the Group conducts a substantial portion of its business operations in the PRC through the Purchaser and Shenzhen Zhongshan Hospital, which hold the requisite PRC operational licenses and approvals, and that its financial position and results of operations are consolidated into the Group's financial statements under the applicable accounting principles, the Company's business, financial position and results of operations would be adversely affected if the Purchaser and Shenzhen Zhongshan Hospital suffer losses.

Liquidation

Pursuant to the Equity Pledge Agreements, in the event of a mandatory liquidation required by the PRC laws, the shareholders of the Purchaser and Shenzhen Zhongshan Hospital shall, upon the request of the WFOE, give the proceeds they received from liquidation as a gift to the WFOE or its designee(s) to the extent permitted by the PRC laws.

Accordingly, in the event a winding up of the Purchaser and Shenzhen Zhongshan Hospital, the WFOE is entitled to liquidation proceeds of the Purchaser and Shenzhen Zhongshan Hospital based on the New Contractual Arrangements for the benefit of the Company's creditors and Shareholders.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the New Contractual Arrangements.

Legality of the New Contractual Arrangements

The PRC Legal Advisors, following completion of reasonable due diligence steps, are of the following legal opinion:

(a) each of the WFOE, the Purchaser and Shenzhen Zhongshan Hospital is duly established and validly existing under the PRC laws, and has obtained or completed all requisite approvals, permits, registrations or filings that are material for carrying out its business operations as required by the applicable PRC laws and regulations;

(b) each of the agreements under the New Contractual Arrangements, upon execution, taken individually and collectively, would constitute legal, valid and binding obligations of the parties thereto except that (a) the Chengdu Arbitration Commission has no power to grant injunctive relief, nor will it be able to order the winding up of the Purchaser and Shenzhen Zhongshan Hospital pursuant to the current PRC laws; and (b) interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognized or enforceable in the PRC;

(c) the New Contractual Arrangements do not, individually or collectively, violate the provisions of the PRC Civil Code (《民法典》) and do not, individually or collectively, violate all other applicable PRC laws and regulations in order to enable the Group to conduct business in the medical industry, and shall not be deemed as "impairing others' legitimate rights and interests with malicious collusion" or "a false expression of intentions" or fall within any of the circumstances under which will result in the invalidity of the New Contractual Arrangements;

(d) none of the agreements under the New Contractual Arrangements violates any provision of the existing articles of association of each of the WFOE, the Purchaser and Shenzhen Zhongshan Hospital; and

(e) according to the oral confirmation of the Competent Authority as advised by the PRC Legal Advisors, there are no mandatory or prohibitive provisions of existing PRC laws and administrative regulations relating to the execution and performance of the New Contractual Arrangements in the PRC to date. The Equity Pledge Agreements are subject to registration requirements with the local administration bureau for market regulation and the exercising of the exclusive options by the WFOE, according to the Exclusive Option Agreement, shall be subject to the then effective PRC laws and regulations and relevant approval procedures (if applicable).

The Board's view on the New Contractual Arrangements

Based on the above, the Board is of the view that the New Contractual Arrangements are narrowly tailored as they are used to enable the Group to conduct businesses in industries that are subject to Foreign Ownership Restriction in the PRC. Following Completion of the Acquisition and Reorganization, the Company indirectly holds 70.00% equity interest in Shenzhen Zhongshan Hospital through the WFOE, and controls the 29.90% equity interest in Shenzhen Zhongshan Hospital held by the Purchaser by virtue of the Contractual Arrangements. As such, the Company can receive approximately 99.90% of the economic interest returns generated by Shenzhen Zhongshan Hospital.

The New Contractual Arrangements also provide that the Group could partially unwind the New Contractual Arrangements and hold (directly or indirectly) equity interest in Shenzhen Zhongshan Hospital up to the maximum percentage prescribed by any measures promulgated by the MOFCOM and/or other relevant governmental authorities, or fully unwind the New Contractual Arrangements and directly hold the 100.00% equity interest in Shenzhen Zhongshan Hospital if there is no prescribed limit on the percentage of equity interest permitted to be held by foreign investors.

Compliance with the New Contractual Arrangements

The Group has adopted the following effective internal control measures for the implementation and compliance of the Existing Contractual Arrangements and such measures will be adopted equally for the New Contractual Arrangements:

(a) major issues arising from the implementation and compliance with the New Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(b) the Board will review the overall performance of and compliance with the New Contractual Arrangements at least once a year;

(c) the Company will disclose the overall performance and compliance with the New Contractual Arrangements in its annual reports and interim reports to update the Shareholders and potential investors; and

(d) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the New Contractual Arrangements and the legal compliance of the WFOE, the Purchaser and Shenzhen Zhongshan Hospital to deal with specific issues or matters arising from the New Contractual Arrangements.

In addition, the Company believes that the Directors are able to perform their roles in the Group independently and the Group is capable of managing its business independently under the following measures:

(a) the decision-making mechanism of the Board as set out in the Articles of Association includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of the Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;

(b) each of the Directors is aware of his or her fiduciary duties as a Director which requires, amongst other things, that he or she acts for the benefits and in the best interests of the Group;

(c) the Company has appointed four independent non-executive Directors, comprising more than one-third of the Board, to provide a balance of the number of interested and independent Directors with a view to promoting the interests of the Company and the Shareholders as a whole; and

(d) the Company will disclose in its announcements, circulars and annual and interim reports in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by the Board (including independent non-executive Directors) relating to any business or interest of each Director and his or her associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Risks relating to the New Contractual Arrangements

If the PRC government deems that the New Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, the Group could be subject to severe penalties or be forced to relinquish the Group's interests in those operations.

Foreign ownership of certain business in the PRC is subject to restrictions under current PRC laws and regulations. For example, except for qualified service providers from Hong Kong, Macao Special Administrative Region and Taiwan, foreign investors are not allowed to own 100.00% of the equity interest in a healthcare institution.

The Company is an exempted company incorporated in the Cayman Islands, as such, the Company is classified as a foreign enterprise under PRC laws and regulations, and the Group's wholly-owned PRC subsidiary, the WFOE, is a foreign-invested enterprise. The Group has entered into a series of contractual arrangements with each of the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital. For a detailed description of these contractual arrangements, see the section headed "The New Contractual Arrangements". Through the Group's shareholdings, the Contractual Arrangements, the Company controls the economic benefit of approximately 99.90% of the equity interest in Shenzhen Zhongshan Hospital.

As advised by the PRC Legal Advisors, except for the arrangements regarding dispute resolution, the New Contractual Arrangements, upon execution, would be legal, valid and binding upon the parties thereto under the current laws and regulations. For more details, see "The New Contractual Arrangements — Legality of the New Contractual Arrangements". However, the PRC Legal Advisors have also advised the Group that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations and there can be no assurance that the PRC government will ultimately take a view that is consistent with the opinion of the PRC Legal Advisors.

On March 15, 2019, the National People's Congress approved the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**FIL**") which came into force on January 1, 2020. According to the FIL, the "foreign investment" refers to investment activities in the PRC carried out directly or indirectly by foreign natural persons, enterprises or other organizations (hereinafter referred to as "**Foreign Investors**"), including the following: (1) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (2) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (3) Foreign Investors investing in new projects in China alone or collectively with other investors; and (4) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. However, the interpretation and application of the FIL remain uncertain.

In addition, the FIL stipulates that foreign investment includes “Foreign Investors invest in China through many other methods under laws, administrative regulations or provisions prescribed by the State Council”. The Group cannot assure that contractual arrangements will not be deemed as a form of foreign investment under laws, regulations or provisions prescribed by the State Council in the future, as a result of which, it will be uncertain whether the New Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and the impact on the above-mentioned contractual arrangements. If the Group’s ownership structure, contractual arrangements and business or that of the Group’s PRC subsidiaries or the Group’s variable interest entities are found to be in violation of any existing or future PRC laws or regulations, or the Group fail to obtain or maintain any of the required permits or approvals, the relevant governmental authorities would have broad discretion in dealing with such violations, including but not limited to:

- levying fines on the Group;
- confiscating the Group’s income or the income of the Group’s PRC subsidiaries, variable interest entities or their subsidiaries;
- revoking the Group’s business licenses and/or operating licenses;
- shutting down the Group’s institutions;
- discontinuing or placing restrictions or onerous conditions on the Group’s operations, requiring the Group to undergo a costly and disruptive restructuring; and
- taking other regulatory or enforcement actions that could be harmful to the Group’s business.

Any of these actions could cause significant disruption to the Group’s business operations and severely damage the Group’s reputation, which would result in the Group failing to receive the economic benefits from the Group’s variable interest entities and their subsidiaries, which in turn may materially and adversely affect the Group’s business, financial condition and results of operations.

Furthermore, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to the Group’s corporate structure and contractual arrangements.

The New Contractual Arrangements may result in adverse tax consequences to the Group.

The Group could face material and adverse tax consequences if the PRC tax authorities determine that the New Contractual Arrangements was not made on an arm's length basis and adjust the Group's income and expenses for PRC tax purposes by requiring a transfer pricing adjustment. A transfer pricing adjustment could materially and adversely affect the Group by (i) increasing the tax liabilities of Shenzhen Zhongshan Hospital without reducing the tax liability of the Group's subsidiaries, which could further result in late payment fees and other penalties to Shenzhen Zhongshan Hospital for underpaid taxes; or (ii) limiting the ability of Shenzhen Zhongshan Hospital to obtain or maintain preferential tax treatments and other financial incentives.

The shareholder of Shenzhen Zhongshan Hospital may have potential conflicts of interest with the Group, which may materially and adversely affect the Group's business and financial condition.

In connection with the Group's operations in China, the Group relies on the shareholder of Shenzhen Zhongshan Hospital to abide by the obligations under such contractual arrangements. The interests of such shareholder in her individual capacity as the shareholder of Shenzhen Zhongshan Hospital may differ from the Group's interests, as what is in the best interests of Shenzhen Zhongshan Hospital, including matters such as whether to distribute dividends or to make other distributions to fund the Group's offshore requirements, may not be in the Group's best interests. There can be no assurance that when conflicts of interest arise, such individual will act in the Group's best interests or those conflicts of interest will be resolved in the Group's favor. In addition, such individual may breach, or cause Shenzhen Zhongshan Hospital to breach, or refuse to renew, the Existing Contractual Arrangements with the Group.

Currently, the Group does not have arrangements to address the potential conflicts of interest faced by the shareholder of Shenzhen Zhongshan Hospital in her dual capacity as beneficial owner of the Group. The Group rely on the shareholder of Shenzhen Zhongshan Hospital to comply with PRC laws and regulations, which protect contracts and provide that directors and executive officers owe a duty of loyalty to the Group and require them to avoid conflicts of interest and not to take advantage of their positions for personal gains, and the laws of the Cayman Islands, which provide that directors have a duty of care and a duty to act honestly in good faith with a view to the Group's best interests. However, the legal frameworks of the PRC and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict with another corporate governance regime. If the Group cannot resolve any conflicts of interest or disputes between the Group and the shareholder of Shenzhen Zhongshan Hospital, the Group would have to rely on legal proceedings, which could result in disruption of the Group's business and subject the Group to substantial uncertainty as to the outcome of any such legal proceedings.

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent the Group from using the proceeds of this offering to make loans to the Group's PRC subsidiaries, or to make additional capital contributions to the Group's PRC subsidiaries.

The Group, as an offshore holding company, is permitted under PRC laws and regulations to provide funding to its wholly-owned PRC subsidiary, which is treated as a foreign-invested enterprise under PRC laws, and to its other PRC subsidiaries through loans or capital contributions. However, loans by the Group to its PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE and capital contributions to the Group's PRC subsidiaries are subject to approval by and registration with other governmental authorities in China.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知), or Circular 19, effective on June 1, 2015, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知), or Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit the Group's ability to transfer any foreign currency the Group hold to the Group's PRC subsidiaries, which may adversely affect the Group's liquidity and the Group's ability to fund and expand the Group's business in the PRC.

Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, the Group is not likely to make such loans to Shenzhen Zhongshan Hospital, a PRC domestic company. Meanwhile, the Group is not likely to finance the activities of Shenzhen Zhongshan Hospital by means of capital contributions given the restrictions on foreign investment in the businesses that are currently conducted by Shenzhen Zhongshan Hospital.

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, PRC entities by offshore holding companies, the Group cannot assure that it will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to its PRC subsidiaries or any variable interest entity or future capital contributions by the Group to its PRC subsidiaries. As a result, uncertainties exist as to the Group's ability to provide prompt financial support to the Group's PRC subsidiaries or Shenzhen Zhongshan Hospital when needed. If the Group fails to complete such registrations or obtain such approvals, the Group's ability to use foreign currency and to capitalize or otherwise fund the Group's PRC operations may be negatively affected, which could materially and adversely affect the Group's liquidity and the Group's ability to fund and expand the Group's business.

If the Group exercise the option to acquire equity ownership of the Purchaser, the ownership transfer may subject the Group to certain limitations and substantial costs.

Pursuant to the New Contractual Arrangements, the WFOE or its designated person(s) has the exclusive right to purchase all or any part of the equity interest in the Purchaser from the Registered Shareholders at the minimum purchase price permitted under the applicable PRC laws.

The equity transfer may be subject to approvals from and filings with relevant PRC regulatory authorities. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authority. The Registered Shareholders will be subject to PRC individual income tax on the difference between the equity interest transfer price and the amount the Registered Shareholders has paid to obtain the equity interest in the Purchaser. The Registered Shareholders will pay the remaining amount to the WFOE under the New Contractual Arrangements. The amount to be received by the WFOE may also be subject to enterprise income tax. Such tax amounts could be substantial and the Group's financial condition may be adversely affected as a result.

The New Contractual Arrangements may not be as effective in providing operational control as direct ownership. The Purchaser and the Registered Shareholders may fail to perform their obligations under the New Contractual Arrangements.

The Group has 70.00% equity ownership interest in Shenzhen Zhongshan Hospital and relies on the Contractual Arrangements to control the 29.90% equity ownership interest in Shenzhen Zhongshan Hospital.

Although the Group is advised by the PRC Legal Advisors that save as disclosed in this announcement, the New Contractual Arrangements upon execution, would constitute valid and binding obligations enforceable against each party of such agreements in accordance with their terms, the New Contractual Arrangements may not be as effective in providing us with control over the Purchaser as direct ownership. Direct ownership would allow the Group, for example, to directly or indirectly exercise the Group's rights as a shareholder to effect changes in the board of directors of the Purchaser, which, in turn, could effect changes, subject to any applicable fiduciary obligations, at the management level.

If the Purchaser or the Registered Shareholders fails to perform its respective obligations under the New Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce the Group's rights. All of the New Contractual Arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from the New Contractual Arrangements will be resolved through arbitration or litigation in China. However, the legal system in China is not as developed as in other jurisdictions, such as the United States. There are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the outcome of arbitration or litigation. These uncertainties could limit the Group's ability to enforce the New Contractual Arrangements. The New Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/ or assets of the Purchaser or Shenzhen Zhongshan Hospital, injunctive relief and/or winding up of these entities. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, under PRC laws, these terms may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

In the event the Group is unable to enforce the New Contractual Arrangements or the Group's experience significant delays or other obstacles in the process of enforcing the New Contractual Arrangements, the Group may not be able to exert effective control over the Purchaser and may not prevent leakage of equity and values to the minority shareholder of Shenzhen Zhongshan Hospital or obtain the full economic benefits of the same. The Group's ability to conduct the business may be negatively affected.

Implications under the Listing Rules

The Purchaser is owned by the Registered Shareholders, Ms. Yan Xiaoqing (a non-executive Director) and Ms. Zhu Yujuan (an existing employee of the Group), as to 51.00% and 49.00%, respectively, and therefore, it is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions under the New Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In preparation for the listing of the Company, the Company has sought, and the Stock Exchange has granted, the IPO Waiver from the strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Existing Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement for setting an annual cap for the transactions under the Existing Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Existing Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the shares of the Company are listed on the Stock Exchange, subject to certain conditions as set out in the Prospectus. The conditions include, among others, that on the basis that the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding on the one hand, and Jinrun Fude, on the other hand, such framework may be renewed and/or reproduced upon the expiry of the Existing Contractual Arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of its shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements.

Since the New Contractual Arrangements is reproduced from the Existing Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the IPO Waiver and be exempt from strict compliance with: (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the terms of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the shares of the Company are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver as disclosed in the section headed "Connected Transactions" in the Prospectus.

DEFINITIONS

"Contractual Arrangements"	collectively, the Existing Contractual Arrangements and the New Contractual Arrangements
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"New Contractual Arrangements"	a series of contractual arrangements entered into by, among the WFOE, the Registered Shareholders, the Purchaser and Shenzhen Zhongshan Hospital, details of which are described in the section headed "New Contractual Arrangements" in this announcement
"PRC Legal Advisors"	Jingtian & Gongcheng, the legal advisors to the Company as to the laws of the PRC
"VIE Entities"	the entities that the Group controls certain percentage of their shareholding through the Existing Contractual Arrangements which comprised, Chengdu Xinan Hospital and Shenzhen Zhongshan Hospital

By order of the Board
Jinxin Fertility Group Limited
Zhong Yong
Chairman

Hong Kong, August 26, 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhong Yong, Dr. John G. Wilcox, Mr. Dong Yang, Ms. Lyu Rong and Dr. Geng Lihong, as executive Directors; Mr. Fang Min, Ms. Hu Zhe and Ms. Yan Xiaoqing, as non-executive Directors; and Dr. Chong Yat Keung, Mr. Li Jianwei, Mr. Wang Xiaobo and Mr. Ye Changqing, as independent non-executive Directors.

The English names of the PRC entities referred to in this announcement are merely translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

* *For identification purpose only*