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## CONNECTED TRANSACTIONS

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Upon [REDACTED], transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

### OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [REDACTED]:

<u>Connected Persons</u>	<u>Connected Relationship</u>
Neusoft Holdings	As of the Latest Practicable Date, Neusoft Holdings indirectly held approximately 23.42% interest in our share capital. Immediately following the completion of the [REDACTED] presuming the Assumptions, Neusoft Holdings will hold approximately [REDACTED]% interest in our share capital, and will therefore be our substantial Shareholder and a connected person pursuant to Chapter 14A of the Listing Rules.
Neusoft Corporation	As of the Latest Practicable Date, Neusoft Corporation indirectly held approximately 27.94% interest in our share capital. Immediately following the completion of the [REDACTED] presuming the Assumptions, Neusoft Corporation will hold approximately [REDACTED]% interest in our share capital, and will therefore be our substantial Shareholder and a connected person pursuant to Chapter 14A of the Listing Rules.
Rongsheng Insurance	Rongsheng Insurance is a PRC company principally engaged in (among other things) commercial medical insurer, and is controlled by Neusoft Corporation (our substantial shareholder) as to more than 30% of its voting rights at general meetings. Accordingly, Rongsheng Insurance is an associate of Neusoft Corporation and therefore our connected person pursuant to Chapter 14A of the Listing Rules.
PICC P&C	As of the Latest Practicable Date, PICC P&C indirectly held approximately 14.30% interest in our share capital. Immediately following the completion of the [REDACTED] presuming the Assumptions, PICC P&C will hold approximately [REDACTED]% interest in our share capital, and will therefore be our substantial Shareholder and a connected person pursuant to Chapter 14A of the Listing Rules.

## CONNECTED TRANSACTIONS

### SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

#### A. Continuing Connected Transactions with Neusoft Holdings and its associates

No.	Connected transactions	Applicable Listing Rule(s)	Waiver sought	Proposed annual cap for the year ending December 31, 2023
<i>(RMB in millions)</i>				
<b>Fully Exempt Continuing Connected Transactions</b>				
1.	Provision of services and products by our Group to Neusoft Holdings	14A.76(1)	N/A	N/A
2.	Purchase of products and services by our Group from Neusoft Holdings	14A.76(1)	N/A	N/A

#### B. Continuing Connected Transactions with Neusoft Corporation and its associates

No.	Connected transactions	Applicable Listing Rule(s)	Waiver sought	Proposed annual cap for the year ending December 31, 2023
<i>(RMB in millions)</i>				
<b>Fully Exempt Continuing Connected Transaction</b>				
1.	Chronic disease management services provided by our Group to Rongsheng Insurance	14A.76(1)	N/A	N/A
2.	Lease of property by our Group from Neusoft Corporation	14A.76(1)	N/A	N/A
<b>Partially Exempt Continuing Connected Transactions</b>				
3.	<b>Health Management Service Framework Agreement</b> Health management service provided by our Group to Neusoft Corporation	14A.76(2)	Announcement requirement under Chapter 14A of the Listing Rules	6
4.	<b>IT Cooperation Framework Agreement</b>			
(a)	IT services and products provided by our Group to Neusoft Corporation	14A.76(2)	Announcement requirement under Chapter 14A of the Listing Rules	15
(b)	IT services and products provided by Neusoft Corporation to our Group	14A.76(2)	Announcement requirement under Chapter 14A of the Listing Rules	14

## CONNECTED TRANSACTIONS

### C. Continuing Connected Transaction with PICC P&C

No.	Connected transaction	Applicable Listing Rule(s)	Waiver sought	Proposed annual cap for the year ending December 31, 2023 <i>(RMB in millions)</i>
<b>Fully Exempt Continuing Connected Transaction</b>				
1.	Health management service provided by our Group to PICC P&C	14A.76(1)	N/A	N/A

### D. Contractual Arrangements

No.	Connected transactions	Applicable Listing Rule(s)	Waiver sought	Proposed annual cap for the year ending December 31, 2023 <i>(RMB in millions)</i>
1.	Contractual Arrangements	14A.34-36, 14A.49, 14A.52-53, 14A.59, 14A.105	Announcement, circular and independent shareholders' approval, annual cap, term of agreements limited to three years	N/A

## FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

### Continuing Connected Transactions with Neusoft Holdings and its associates

#### 1. *Provision of products and services by our Group to Neusoft Holdings*

We will, from time to time, provide various types of products and services to Neusoft Holdings and/or its associates, including, but not limited to, (1) health management services for the benefit of the employees of Neusoft Holdings; and (2) smart healthcare products including (among other things) All-in-One Healthcare Devices and its accessories. The service fees will be determined by the parties at arm's length negotiations with reference to prevailing market rate.

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As such provision of services and products by our Group to Neusoft Holdings will be conducted in the ordinary and usual course of business and on normal commercial terms or better, the highest applicable percentage ratio for the service fees payable by Neusoft Holdings to us is expected to be less than 5% on an annual basis and the highest annual cap is less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

### ***2. Purchase of products and services by our Group from Neusoft Holdings***

We will, from time to time, purchase various types of products and services from Neusoft Holdings and/or its associates, including, among others, (1) software and IT infrastructure services provided by Neusoft Holdings, including (among other things) software products and infrastructures to support the daily operation of our cloud hospital and healthcare business; and (2) hotel services and conference facilities provided by Neusoft Holdings. The service fees will be determined by the parties at arm’s length negotiations with reference to prevailing market rate.

As such purchase of services and products by our Group from Neusoft Holdings will be conducted in the ordinary and usual course of business and on normal commercial terms or better, the highest applicable percentage ratio for the service fees payable by us to Neusoft Holdings is expected to be less than 5% on an annual basis and the highest annual cap is less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

### **Continuing Connected Transaction with Neusoft Corporation and its associates**

### ***3. Chronic disease management services provided by our Group to Rongsheng Insurance***

During the Track Record Period, we entered into chronic disease management cooperation with Rongsheng Insurance, an associate of Neusoft Corporation for a period from July 1, 2020 to December 31, 2022. We were engaged by Rongsheng Insurance to (i) set up the procedures and standards relating to identification of patients with chronic diseases, the scope and dosage of chronic disease medication and review of prescriptions on chronic diseases, and (ii) monitor the implementation of such procedures and standards at outpatient departments of target medical institutions and report any issues discovered. We also help Rongsheng Insurance with prescription reviews and cost saving efforts. With respect to identified patients with chronic diseases at the relevant outpatient departments, we offer health management services and provide health information, including establishing health records and signing up family doctors over our platform, and periodically review their status. For details, please refer to “Business – Our Solutions – Health Management Services – Chronic Disease Management Services” in this document. The service fees will be determined by the parties at arm’s length negotiations with reference to prevailing market rate.

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## CONNECTED TRANSACTIONS

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As chronic disease management services provided by our Group to Rongsheng Insurance will be conducted in the ordinary and usual course of business and on normal commercial terms or better, the highest applicable percentage ratio for the service fee payable by our Group to Rongsheng Insurance is expected to be less than 5% on an annual basis and the highest annual cap is less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

#### ***4. Lease of property by our Group from Neusoft Corporation***

During the Track Record Period, some of our Subsidiaries and Consolidated Affiliated Entities (the "Lessees"), entered into several lease agreements with Neusoft Corporation, the expiry dates of which ranged between June 30, 2023 to December 31, 2023. The rents were determined by the parties at arm's length negotiations with reference to prevailing market rate.

As the lease agreements between the Lessees and Neusoft Corporation are entered into and have been conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio for the rents payable by our Group to Neusoft Corporation is expected to be less than 0.1% on an annual basis, such transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

#### **Continuing Connected Transaction with PICC P&C and its associates**

#### ***5. Health management services provided by our Group to PICC P&C***

We will, from time to time, provide health management services to PICC P&C for the benefit of their employees. The service fees will be determined by the parties at arm's length negotiations with reference to prevailing market rate.

As provision of health management service to PICC P&C will be conducted in the ordinary and usual course of business and on normal commercial terms or better, the highest applicable percentage ratio for the service fee payable by PICC P&C to us is expected to be less than 5% on an annual basis and the highest annual cap is less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

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## CONNECTED TRANSACTIONS

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### NON-FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 1. Health Management Service Framework Agreement

##### *Principal terms*

We entered into a health management service framework agreement with Neusoft Corporation on [●] (the “**Health Management Service Framework Agreement**”), pursuant to which we will provide health management services to the employees of Neusoft Corporation and its associates for the benefit of their employees.

The Health Management Service Framework Agreement has an initial term commencing from the [REDACTED] and ending on December 31, 2023, subject to renewal upon the mutual consent of both parties.

##### *Reasons for and benefit of the transaction*

Our Directors consider that the provision of health management services to Neusoft Corporation would benefit our Company for the following reasons:

- since the core business of the Company includes providing medical and healthcare services to individual customers, the provision of check-up and health management services is in line with our ordinary and usual course of business;
- we can further increase our user base through provision of services to Neusoft Corporation’s employees, who may further refer our services to other potential customers; and
- the provision of health management services to Neusoft Corporation will also contribute to the Company’s revenue.

##### *Pricing policies*

The service fees will be determined by the parties at an arm’s length negotiations with reference to (i) number of employees of Neusoft Corporation who are entitled to enjoy such health management services; (ii) specific scope of service included in the relevant health management and check-up plans; and (iii) service fees offered by our Group to independent third party customers at the time of the relevant service, and will be no less favorable to our Group than such fees offered to other Independent Third Parties.

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## CONNECTED TRANSACTIONS

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### *Historical amounts*

For the years ended December 31, 2020, 2021 and 2022, the aggregate amounts of service fee in connection with health management services paid/payable to our Group by Neusoft Corporation and its associate were approximately RMB4.71 million, RMB4.90 million and RMB5.00 million, respectively.

### *Annual Cap*

In relation to the Health Management Service Framework Agreement, the transaction amount to be paid by Neusoft Corporation and/or its associate to us in respect of the provision of health management services for the year ending December 31, 2023 shall not exceed the proposed annual cap as set out in the table below:

**Proposed annual cap  
for the year ending  
December 31, 2023**

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*(RMB in millions)*

Service fees to be paid by Neusoft Corporation to us	6
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### *Basis of cap*

In arriving at the above annual cap, our Directors have considered, among other things, the following factors:

- the historical transaction amounts for the three years ended December 31, 2022 between our Company and Neusoft Corporation and/or its associates during the Track Record Period; and
- Along with its expansion in scale and business growth, the number of employees of Neusoft Corporation is expected to continue to increase in the year ending December 31, 2023, which will lead to an expected increase in demand for our health management services.

### *Listing Rules implications*

As the highest applicable percentage ratio of the transactions under the Health Management Service Framework Agreement for the year ending December 31, 2023 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual

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## CONNECTED TRANSACTIONS

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reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

### 2. IT Cooperation Framework Agreement

#### *Principal terms*

We entered into an IT product and service cooperation framework agreement with Neusoft Corporation on [●], 2023 (the "**IT Cooperation Framework Agreement**"), pursuant to which each of our Group and Neusoft Corporation (together with its associates) have agreed to provide several types of IT products or services to each other. The IT Cooperation Framework Agreement has an initial term commencing from the [REDACTED] and ending on December 31, 2023, subject to renewal upon the mutual consent of both parties.

Details of the types of IT services or products to be provided, respectively, by the parties under the IT Cooperation Framework Agreement primarily consist of the following:

#### *IT services and products provided by our Group to Neusoft Corporation*

Leveraging our expertise in online healthcare, we may, from time to time, be engaged by Neusoft Corporation to provide, for the benefit of its clients, cloud hospital-related software development and technical services for development of customized online healthcare software or operating systems according to the business needs of such client. The relevant products and services generally include healthcare-related module design, implementation and testing, design of contingency plan, training and security testing, etc.

#### *IT services and products provided by Neusoft Corporation to our Group*

Neusoft Corporation may, from time to time, be engaged by us to provide, for the benefit of our clients, hospital software products and/or services for their day-to-day operation. Further, Neusoft Corporation may also, from time to time, provide general IT products and/or maintenance services, including operating system updates and regular preventive maintenance to our Group (as the case may be).

Subject to terms of the IT Cooperation Framework Agreement, each party will enter into specific agreements or place purchase orders with the other to set out specific terms and conditions in respect of the services abovementioned. The consideration payable by our Group or Neusoft Corporation and/or its associates (as the case may be) under the IT Cooperation Framework Agreement will be paid at the time and according to the method agreed in specific agreements and purchase orders.



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## CONNECTED TRANSACTIONS

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### *Reasons for the transaction*

We has established a long-term cooperation with Neusoft Corporation and/or its associates, which enabled both our Group and Neusoft Corporation to acquire a comprehensive understanding of each other's business and operational requirements as well as to establish a great foundation for mutual trust. It is expected that, leveraging each other's competitive advantages, Neusoft Corporation could provide quality IT products and/or technology support to our Group's operation and satisfy the needs of our client; while we, on the other hand, could also leverage our expertise in online healthcare business and our technology capabilities and understanding in this regard to provide Neusoft Corporation or its clients with customized technology services.

### *Pricing policies*

For software products and/or services provided by us or Neusoft Corporation (as the case may be) for the benefit of the other party's clients, the fees will be determined by the parties at an arm's length negotiations with reference to the total bidding price submitted by us or Neusoft Corporation (as the case may be) to the clients, the prevailing market price and consideration of various factors, including, the number of stages involved in software development and maintenance, the nature and technical features of the software, and the expected timeframe for delivery etc., and will be no less favorable to our Group than the fees offered to or charged by other Independent Third Parties.

With respect to the general IT services provided by Neusoft Corporation to our Group, the fee rates will be determined by the parties at an arm's length negotiations with reference to the prevailing market price and consideration of various factors, including, the costs of labor, the costs of maintenance, the nature and technical features of the relevant services provided, etc., and will be no less favorable to our Group than the fees offered to or charged by other Independent Third Parties.

### *Historical amounts*

For the years ended December 31, 2020, 2021 and 2022, the aggregate amounts of fees in connection with IT services paid/payable to our Group by Neusoft Corporation and its associates were approximately RMB5.00 million, RMB9.69 million and RMB4.15 million, respectively; while the aggregate amounts of purchase fee in connection with IT services paid/payable to Neusoft Corporation and its associates by our Group were approximately RMB8.92 million, RMB9.20 million and RMB8.58 million, respectively.

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## CONNECTED TRANSACTIONS

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### *Annual Caps*

In relation to the IT Cooperation Framework Agreement, the proposed annual caps for the year ending December 31, 2023 are set out in the table below:

	<b>Proposed annual caps for the year ending December 31, 2023</b>
	<i>(RMB in millions)</i>
Fees to be paid by Neusoft Corporation to us	15
Fees to be paid by our Group to Neusoft Corporation	14

### *Basis of caps*

In arriving at the above annual caps, our Directors have considered, among other things, the following factors:

- the historical transaction amounts for the three years ended December 31, 2022 between our Company and Neusoft Corporation and/or its associates during the Track Record Period;
- the expected growth in the operational scale of our Group for the year ending December 31, 2023, which will lead to an increasing need for relevant IT services and/or products; and
- the expected increase of service fee to be charged by our Company or Neusoft Corporation and/or its associates due to the estimated increase of cost of labor for the provision of services.

### *Listing Rules implications*

As the highest applicable percentage ratio of the transactions under the IT Cooperation Framework Agreement for the year ending December 31, 2023 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### 3. Contractual Arrangements

#### *Background*

As disclosed in the section headed “Contractual Arrangements” in this document, due to regulatory restrictions on foreign ownership in the PRC, we conduct a substantial portion of our business through our Consolidated Affiliated Entities in the PRC. Both Xikang Medicial and Xikang Information are held as to 80% by Ms. Zong Wenhong, our executive Director and chief executive officer and 20% by Ms. Wang Shuli, our vice president and chief financial officer.

See the section headed “Contractual Arrangements” in this document for detailed terms of the Contractual Arrangements.

#### *Listing Rules implications*

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED] as certain parties to the Contractual Arrangements, namely Ms. Zong Wenhong, is a connected person of the Group. Both Xikang Medical and Xikang Information are owned as to 80% by Ms. Zong Wenhong, and are therefore associates of Ms. Zong Wenhong.

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group’s legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by any of our Consolidated Affiliated Entities and any member of our Group (“**New Intergroup Agreements**” and each of them, a “**New Intergroup Agreement**”) 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 if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules, the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules and the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### INTERNAL CONTROL PROCEDURES

In order to ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such system, the audit committee under the Board is responsible for the review on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the audit committee under the Board, the Board and various internal departments of the Company (including but not limited to the finance department and legal department) are jointly responsible for evaluating the terms under framework agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;
- the audit committee under the Board, the Board and various internal departments of the Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements;
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the pricing policy; and
- when considering the rents, service fees, and other fees provided to us by the above connected persons, the Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between the Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties.

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## CONNECTED TRANSACTIONS

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### CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the non-fully exempt continuing connected transactions set out above have been and will be entered into in the ordinary and usual course of business on normal commercial terms or better which are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and the proposed monetary annual caps in respect of non-fully exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including the independent non-executive Directors) of our Company are of the view that the Contractual Arrangements and the transactions contemplated therein have been entered into and will be entered into during our ordinary and usual course of business on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and the Shareholders as a whole. The Directors are of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration of 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 the Consolidated Affiliated Entities can be effectively controlled by Xikang WFOE; (ii) Xikang WFOE can obtain the economic benefits derived from the Consolidated Affiliated Entities, and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented, on an uninterrupted basis.

### CONFIRMATION BY THE SOLE SPONSOR

The Sole Sponsor is of the view that the continuing connected transactions set out above have been and will continue to be carried out in the ordinary and usual course of business of the Company on normal commercial terms or better that are fair and reasonable and in the interests of the Company and our Shareholders as a whole, and that the proposed annual caps of the continuing connected transactions are fair and reasonable and in the interests of the Company and our Shareholders as a whole. With respect to the term of the relevant agreements underlying the Contractual Arrangements which are of a duration longer than three years, the Sole Sponsor is of the view that it is a justifiable and normal business practice to ensure that (i) the financial and operation of the Consolidated Affiliated Entities can be effectively controlled by Xikang WFOE; (ii) Xikang WFOE can obtain the economic benefits derived from the Consolidated Affiliated Entities, and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented, or on an uninterrupted basis.

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### WAIVER GRANTED BY THE STOCK EXCHANGE

#### Non-fully exempt connected transactions (excluding the Contractual Arrangements)

In respect of the non-fully exempt continuing connected transactions as described above under “Health Management Service Framework Agreement” and “IT Cooperation Framework Agreement”, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the year ending December 31, 2022 is expected to be more than 0.1% but less than 5% on an annual basis. Accordingly, the above non-fully exempt continuing connected transactions are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

As the above non-fully exempt continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement and independent Shareholders’ approval requirements will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of the transactions under Health Management Service Framework Agreement and IT Cooperation Framework Agreement, provided that the total amount of transactions ending December 31, 2023 will not exceed the proposed annual caps as set out in this section. The independent non-executive Directors and auditors of the Company will review whether the transactions under the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies under the relevant framework agreements as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

#### Contractual Arrangements

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (i) the announcement 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, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) 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 our Shares are [REDACTED] on the Stock Exchange, subject, however, to the following conditions:

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

No change to the Contractual Arrangements (including with respect to any fees payable to Xikang WFOE) will be made without the approval of our independent non-executive Directors.

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***(b) No change without independent Shareholders' approval***

Save as described in paragraph (d) below, no change to the agreements governing the Contractual Arrangements will be made without our independent Shareholders' approval. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of our 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 (e) below) will, however, continue to be applicable.

***(c) Economic benefits and flexibility***

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by our Consolidated Affiliated Entities through (i) our Group's option (if and when so allowed under the applicable PRC laws) to acquire all or part of the entire equity interests and assets for nil consideration or the minimum amount of consideration as permitted by applicable PRC laws, (ii) the business structure under which the profit generated by our Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to Xikang WFOE by our Consolidated Affiliated Entities under the Exclusive Management Consultancy and Business Cooperation Agreement (as defined in "Contractual Arrangements"), and (iii) our Group's right to control the management and operation of, as well as, in substance, the controlling voting rights of our Consolidated Affiliated Entities.

***(d) Renewal and reproduction***

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced (i) upon the expiry of the existing arrangements or (ii) in relation to any existing or new wholly foreign owned enterprise or operating company (including branch 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 the existing Contractual Arrangements. The directors, chief executives or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

All renewed or reproduced framework will be on substantially the same terms and conditions as the existing Contractual Arrangements.

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*(e) Ongoing reporting and approvals*

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

- (a) the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;
- (b) our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's 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 our Consolidated Affiliated Entities 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 our Consolidated Affiliated Entities during the relevant financial period above are fair and reasonable, or advantageous to our Shareholders, as far as our Group is concerned and in the interests of our Shareholders as a whole;
- (c) our Company's 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 with a copy to the Stock Exchange confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- (d) for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company (excluding for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules;
- (e) our Consolidated Affiliated Entities will undertake that, for as long as the Shares are [REDACTED] on the Stock Exchange, the Consolidated Affiliated Entities will provide our Group's management and our Company's auditors full access to its relevant records for the purpose of our Company's auditor's review of the connected transactions;



## CONNECTED TRANSACTIONS

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- (f) in addition, we have applied to the Stock Exchange, and the Stock Exchange [has granted], a waiver pursuant to Rule 14A.105 of the Listing Rules from 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 in any New Intergroup Agreements (as defined above); (ii) the requirement of setting an annual cap for the fees payable by/to any member of our Group to/from our Consolidated Affiliated Entities in any New Intergroup Agreements; and (iii) the requirement to limit the term of any New Intergroup Agreement to three years or less, for so long as Shares are [REDACTED] on the Stock Exchange. The waiver is subject to the condition that the Contractual Arrangements subsist and that the Consolidated Affiliated Entities will continue to be treated as our Company's subsidiaries, but the directors, chief executives or substantial shareholders of our Consolidated Affiliated Entities and their associates will be treated as our Company's connected persons (excluding for this purpose, our Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules. We will comply with applicable requirements under the Listing Rules and will immediately inform the Stock Exchange if there are any changes to these continuing connected transactions.