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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspects of this circular or as to the action to be taken, you should consult your stockholder or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ping An Healthcare and Technology Company Limited, you should at once hand this circular and the accompanying form or proxy to the purchaser or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED****平安健康醫療科技有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 1833)****RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
MAJOR TRANSACTION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders



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A notice convening the Extraordinary General Meeting of Ping An Healthcare and Technology Company Limited to be held at Academic Lecture Hall, 4th Floor, Ping An Good Health Shanghai Testing Center, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC, at 10:00 a.m. on Friday, 15 December 2023 is set out on pages 74 to 75 of this circular. Shareholders are advised to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form or proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish.

24 November 2023

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

### DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Hong Kong Stock Exchange: 1833)
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Deposit Service Provider”	Ping An Bank Co., Ltd. (平安銀行股份有限公司)
“Director(s)”	the director(s) of the Company
“Employee Incentive Scheme” or “EIS”	the scheme adopted by the Company on 26 December 2014, as amended or otherwise modified from time to time, to grant options to the incentive targets
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting to be held at Academic Lecture Hall, 4th Floor, Ping An Good Health Shanghai Testing Center, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC, at 10:00 a.m. on Friday, 15 December 2023 or any adjournment thereof
“Group”	the Company, its subsidiaries and its Operating Entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Tang Yunwei, Mr. Guo Tianyong and Dr. Chow Wing Kin Anthony, to advise the Independent Shareholders in respect of : (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement and the respective continuing connected transactions contemplated thereunder (including the proposed annual caps for each of the three years ending 31 December 2026)
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed renewal of continuing connected transactions contemplated under: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement (including the proposed annual caps for each of the three years ending 31 December 2026)
“Independent Shareholders”	in respect of the resolutions related to: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement and the respective continuing connected transactions contemplated thereunder (including the proposed annual caps for each of the three years ending 31 December 2026), means Shareholders other than Glorious Peace Limited
“Independent Third Party(ies)”	any entity or person who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Latest Practicable Date”	20 November 2023, being the latest practicable date for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“Operating Entity(ies)”

Collectively, Ping An Health Cloud Company Limited (平安健康互聯網股份有限公司), Jiangxi Pingan Health Pharmacy Company Limited (江西平安健康大藥房有限公司), Tianjin Kuaiyijie Medical Electronic Commerce Company Limited (天津快易捷醫藥電子商務有限公司), Qingdao Ping An Kangjian Internet Hospital Co., Ltd. (青島平安康健互聯網醫院有限公司), Hefei Ping An Kangjian Internet Hospital Company Limited (合肥平安康健互聯網醫院有限公司), Jiangsu Nabaite Pharmacy Company Limited (江蘇納百特大藥房有限公司), Yinchuan Pingan Kangjian Internet Hospital Company Limited (銀川平安康健互聯網醫院有限公司), Pingan Wanjia Healthcare Management Company Limited (平安萬家醫療管理有限責任公司), Shanghai Pingan Wanjia Healthcare Management Company Limited (上海平安萬家健康管理有限公司), Shenzhen Pingan Wanjia Healthcare Investment Company Limited (深圳平安萬家健康產業投資有限公司), Xiamen Wanjia Healthcare Investment Company Limited (廈門萬家健康產業投資有限公司), Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd. (廈門思明萬家中醫門診部有限公司), Shenzhen Anan Outpatient Service Department (深圳安安診所), Pingan Health Insurance Agency Co. Ltd. (平安健康保險代理有限公司), Guangzhou Jifan Biotechnology Company Limited (廣州市濟帆生物科技有限公司), Hainan Ping An Healthcare and Technology Company Limited (海南平安健康醫療科技有限公司), Hebei Nabaite Pharmacy Company Limited (河北納百特大藥房有限公司), Pingan Yingjian Medical Management (Shanghai) Limited (平安盈健醫療管理(上海)有限公司), Shanghai Yingjian Clinics Co., Ltd. (上海盈健門診部有限公司), Fuzhou Health Road Medical Technology Co., Ltd. (福州健康之路醫療科技有限公司), Guangxi Pingan Good Doctor Internet Hospital Company Limited (廣西平安好醫生互聯網醫院有限公司), Chengdu Ping An Kangjian Internet Hospital Management Company Limited (成都平安康健互聯網醫院管理有限公司), Shanghai Pingan Good Doctor No. 8 Internet Hospital Company Limited (上海平安好醫生八院互聯網醫院有限公司), Tianjin Pingan Kangjian Internet Hospital Co., Ltd. (天津平安康健互聯網醫院有限公司), Guangzhou Kangjian Internet Hospital Co., Ltd. (廣州康健互聯網醫院有限公司), Ping An Health (Jiangsu) Internet Co., Ltd. (平安健康(江蘇)互聯網有限公司), Shanghai Mengchong Information Technology Co., Ltd. (上海盟寵信息技術有限公司), and Ping An Yingxiang (Jiaxing) Software Co., Ltd. (平安穎像(嘉興)軟件有限公司), the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements

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## DEFINITIONS

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“Parties to the 2023 Financial Service Cooperation Framework Agreement”	Ping An Bank Co., Ltd. (平安銀行股份有限公司), Ping An Asset Management Company Limited (平安資產管理有限責任公司), Ping An Fund Management Co., Ltd. (平安基金管理有限公司), China Ping An Insurance Overseas (Holdings) Limited (中國平安保險海外(控股)有限公司) and Ping An Wealth Management Co., Ltd. (平安理財有限責任公司), subject to future revision and supplement from time to time
“Parties to the 2023 Provision of Products and Services Framework Agreement”	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), Ping An Asset Management Company Limited (平安資產管理有限責任公司), Ping An Health Insurance Company of China, Ltd. (平安健康保險股份有限公司), Ping An Bank Co., Ltd. (平安銀行股份有限公司), Ping An Trust Co., Ltd. (平安信託有限責任公司), Ping An Fund Management Co., Ltd. (平安基金管理有限公司), Ping An Securities Co., Ltd. (平安證券股份有限公司), Ping An International Financial Leasing Co., Ltd. (平安國際融資租賃有限公司), Ping An Haoyi Investment Management Co., Ltd. (平安好醫投資管理有限公司), Shenzhen Ping An Financial Services Co., Ltd. (深圳平安綜合金融服務有限公司), Ping An E-wallet Electronic Commerce Co., Ltd. (平安壹錢包電子商務有限公司), Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), Ping An Real Estate Co., Ltd. (平安不動產有限公司), Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), Ping An Technology (Shenzhen) Co., Ltd. (平安科技(深圳)有限公司), China Ping An Insurance Overseas (Holdings) Limited (中國平安保險海外(控股)有限公司), OneConnect Financial Technology Co., Ltd. (壹賬通金融科技有限公司), Lufax Holding Ltd. (陸金所控股有限公司), Ping An Medical and Healthcare Management Co., Ltd. (平安醫療健康管理股份有限公司), Ping An Wealth Management Co., Ltd. (平安理財有限責任公司), Ping An-Shionogi Co., Ltd. (平安鹽野義有限公司) and Beijing Shengshi TCM Clinic Co., Ltd. (北京盛實中醫診所有限公司), subject to future revision and supplement from time to time

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## DEFINITIONS

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“Parties to the 2023 Services Purchasing Framework Agreement”	Ping An Health Insurance Company of China, Ltd. (平安健康保險股份有限公司), Ping An Bank Co., Ltd. (平安銀行股份有限公司), Ping An Fund Management Co., Ltd. (平安基金管理有限公司), Ping An International Financial Leasing Co., Ltd. (平安國際融資租賃有限公司), Ping An Haoyi Investment Management Co., Ltd. (平安好醫投資管理有限公司), Shenzhen Ping An Financial Services Co., Ltd. (深圳平安綜合金融服務有限公司), Ping An E-wallet Electronic Commerce Co., Ltd. (平安壹錢包電子商務有限公司), Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), Ping An Technology (Shenzhen) Co., Ltd. (平安科技(深圳)有限公司), OneConnect Financial Technology Co., Ltd. (壹賬通金融科技有限公司), Ping An Medical and Healthcare Management Co., Ltd. (平安醫療健康管理股份有限公司), Ping An-Shionogi Co., Ltd. (平安鹽野義有限公司) and Shenzhen Qianhai Lianliyang Investment Co., Ltd. (深圳前海聯禮陽投資有限責任公司), subject to future revision and supplement from time to time
“PBOC”	the People’s Bank of China (中國人民銀行)
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company incorporated under the laws of PRC whose shares are dually listed on the Shanghai Stock Exchange and the Stock Exchange (Shanghai Stock Exchange: 601318; Hong Kong Stock Exchange: 2318), the controlling shareholder and a connected person of the Company
“Ping An Group”	Ping An and its subsidiaries
“Recipients of the Products and Services”	Parties to the 2023 Provision of Products and Services Framework Agreement and/or their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable. For the purpose of Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), Ping An Trust Co., Ltd. (平安信託有限責任公司), Ping An Securities Co., Ltd. (平安證券股份有限公司), Ping An Bank Co., Ltd. (平安銀行股份有限公司) and Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), they entered into the agreement for themselves only (excluding their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable)

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## DEFINITIONS

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“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Service Providers”	Parties to the 2023 Services Purchasing Framework Agreement and/or their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable. For the purpose of Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), Ping An Bank Co., Ltd. (平安銀行股份有限公司), Shenzhen Qianhai Lianliyang Investment Co., Ltd. (深圳前海聯禮陽投資有限責任公司), and Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), they entered into the agreement for themselves only (excluding their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning as ascribed to it under the Listing Rules
“Wealth Management Service Providers”	Parties to the 2023 Financial Service Cooperation Framework Agreement and/or their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable. For the purpose of Ping An Bank Co., Ltd. (平安銀行股份有限公司), it entered into the agreement for itself only (excluding its subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable)
“2020 Announcement”	the announcement of the Company dated 20 August 2020 in relation to entering into the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, the 2020 Financial Service Framework Agreement and the 2020 Property Leasing Framework Agreement



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## DEFINITIONS

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“2020 Circular”	the circular of the Company dated 14 October 2020 in relation to, among other things, entering into the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement and the 2020 Financial Service Framework Agreement
“2020 Financial Service Framework Agreement”	a financial service framework agreement entered into between the Company and Ping An on 20 August 2020
“2020 Provision of Products and Services Framework Agreement”	a provision of products and services framework agreement entered into between the Company and Ping An on 20 August 2020
“2020 Services Purchasing Framework Agreement”	a services purchasing framework agreement entered into between the Company and Ping An on 20 August 2020
“2023 Financial Service Cooperation Framework Agreement”	a financial service cooperation framework agreement entered into between the Company and the Parties to the 2023 Financial Service Cooperation Framework Agreement on 25 October 2023 for a term of three years commencing from 1 January 2024
“2023 Provision of Products and Services Framework Agreement”	a provision of products and services framework agreement entered into between the Company and the Parties to the 2023 Provision of Products and Services Framework Agreement on 25 October 2023 for a term of three years commencing from 1 January 2024
“2023 Services Purchasing Framework Agreement”	a services purchasing framework agreement entered into between the Company and the Parties to the 2023 Services Purchasing Framework Agreement on 25 October 2023 for a term of three years commencing from 1 January 2024
“%”	per cent

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## LETTER FROM THE BOARD

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### PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

### 平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

**Executive Director:**

Mr. Li Dou (*Chairman and Chief  
Executive Officer*)

Mr. Wu Jun

**Non-executive Directors:**

Ms. Tan Sin Yin

Ms. Fu Xin

Mr. Zhu Ziyang

**Independent non-executive Directors:**

Mr. Tang Yunwei

Mr. Guo Tianyong

Dr. Chow Wing Kin Anthony

**Headquarters and principal place of business  
in the PRC:**

5-9/F, Building B

INNO KIC

No. 298 Guo Xia Road

Yangpu District

Shanghai

the PRC

**Principal place of business in Hong Kong:**

5/F, Manulife Place

348 Kwun Tong Road

Kowloon

Hong Kong

**Registered Office:**

The offices of Maples Corporate  
Services Limited

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

24 November 2023

*To the Shareholders,*

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
MAJOR TRANSACTION**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**A. INTRODUCTION**

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the EGM in relation to: the renewal of the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework

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## LETTER FROM THE BOARD

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Agreement and the 2020 Financial Services Framework Agreement by entering into the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, and the 2023 Financial Service Cooperation Framework Agreement, including:

- the particulars of the entering into of the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement and the 2023 Financial Service Cooperation Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps for each of the three years ending 31 December 2026);
- the letter from the Independent Board Committee with their view on the entering into of the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, and the 2023 Financial Service Cooperation Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps for each of the three years ending 31 December 2026);
- the letter from Gram Capital with their view on the entering into of the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, and the 2023 Financial Service Cooperation Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps for each of the three years ending 31 December 2026) to the Independent Board Committee and the Independent Shareholders.

### **B. RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 25 October 2023, in relation to, among other things, the renewal of (i) the 2020 Provision of Products and Services Framework Agreement, (ii) the 2020 Services Purchasing Framework Agreement, and (iii) the 2020 Financial Service Framework Agreement, all of which will expire on 31 December 2023.

As the Group intends to continue carrying out the transactions under the 2020 Provision of Products and Services Framework Agreement, the 2020 Services Purchasing Framework Agreement, and the 2020 Financial Service Framework Agreement in the ordinary and usual course of business of the Group, the Company and the associates of Ping An agree to enter into (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement for a term of three years commencing from 1 January 2024 to 31 December 2026 (both days inclusive).

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## LETTER FROM THE BOARD

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### 1. 2023 Provision of Products and Services Framework Agreement

#### *Principal terms*

The Company entered into the 2023 Provision of Products and Services Framework Agreement with the Parties to the 2023 Provision of Products and Services Framework Agreement (all of them are associates of Ping An) on 25 October 2023, pursuant to which the Group shall provide various types of products and services to the Recipients of the Products and Services, including, but not limited to (1) online medical services comprising online consultation, hospital referral, inpatient arrangement, second opinion services, electronic prescriptions and health management; (2) prepaid packages for the purchase of healthcare products and services; (3) provision of products in the Group's health mall, which is an online platform offering diversified and evolving products offering, mainly including healthcare products such as medicines, health supplements and medical devices and wellness products such as fitness equipment and accessories and personal care products; and (4) advertising and consulting services. Fees shall be paid to the Group by the Recipients of the Products and Services in respect of the provision of such products and services by the Group.

#### *Reasons for the transaction*

As an integral part of Ping An Group's managed care business model and the flagship platform of Ping An healthcare ecosystem, the Group has been focusing on integrated financial channels and corporate client channels with high willingness to pay and large growth potential since the Strategy 2.0 Continuum, building the bridge between suppliers and payers in the healthcare industry chain, helping users connect the breakpoints in online and offline services, and providing continuous and complete service experience. Collaborating with Ping An Group's comprehensive financial business by means of providing healthcare management services to the users of Ping An Group's comprehensive financial business is one of the important strategic planning of the Group's Strategy 2.0 Continuum, and is also a key link in the implementation of Ping An Group's managed care business model. Therefore, the Board expects that the cooperation between the Group and Ping An Group will continue to deepen in the future.

The Directors consider that the provision of products and services to the Recipients of the Products and Services would benefit the Company for the following reasons:

- the Group provides online/offline one-stop, 7\*24 hours, proactive healthcare management services to users of Ping An Group and other integrated financial businesses to help improve the health status of these users and deepen Ping An Group's two-wheel-driven strategy of "integrated finance + healthcare". Ping An Group has accumulated a relatively large user base during its operation over the years. The Group's provision of products and services to the Recipients of the Products and Services is conducive to the rapid and steady development of the Group's business;

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## LETTER FROM THE BOARD

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- in light of Ping An's leading position in the PRC insurance industry, it is commercially reasonable and in the best interests of the Group to cooperate with the associates of Ping An;
- as all parties have their own advantages in different business areas, such collaboration can create synergies and share development results. For example, the Group, in conjunction with life insurance industry, provides life insurance users with services such as specialty health check-ups, online consultation, appointment registration assistance and escort, blood sugar control and critical illness management through the "Zhen Xiang RUN" health service program under the "insurance + service" model; meanwhile, through family doctor services, the Group helps life insurance customers connect with a wide range of healthcare services. Based on these scenarios, the Group continues to create user touching points, establish health records for users, track and manage users' health status in real time, and help life insurance enhance its differentiated competitive strength while achieving business development of the Group; and
- the transactions, which will be conducted on the commercial terms and pricing basis determined based on market rates, could enable the Company to access stable and reliable sales channels and promote the Company's financial performance.

### *Pricing policies*

- With respect to the online medical services provided, the service fee shall be determined on a cost-plus basis (with gross profit margin of 40%-55%) taking into consideration various commercial factors, such as the historical profit margin of such services, the nature, market competitiveness and profitability of the services, substitutability of the services in the market, the frequency for the Group to provide such services, the estimated transaction amount and the commercial potential for such services, and shall be consistent with the prices of the similar services provided by the Group to independent third parties;
- With respect to the prepaid packages for the purchase of healthcare products and services, the price shall be the par value of the prepaid packages. The prepaid packages contain a variety of product and service items such as health checkups and dental services, whose prices shall be determined based on the different product and service items contained in the packages. Prepayment is generally required to be made based on the prices of the packages, and subsequently the revenue will be recognized in accordance with the actual performance of the contract. The "par value" for the prepaid packages shall be determined by primarily considering the purchase prices of the healthcare product and service items contained in the packages with the gross profit margin ranging from 10% to 40%;
- With respect to the products in the health mall, the prices shall be based on the Group's purchasing expenses taking into consideration the Group's expected gross profit margin ranging from 2% to 18% determined by product category and shall be consistent with the prices of the same products provided by the Group to independent third parties; and

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## LETTER FROM THE BOARD

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- With respect to the provision of advertising and consulting services, the service fee shall be (i) a fixed fee, which is based on, among others, the position of advertisement with the purchase volume taken into consideration; or (ii) a revenue/profit sharing rate agreed separately, which shall be consistent with the prices of the similar services provided by the Group to independent third parties.

The products and services fees the Group charged the Recipients of the Products and Services were determined on the basis of arm's length negotiations between the relevant parties, which are in line with market rates and are in the best interests of the Company and the Shareholders as a whole. Reference is also made to the applicable historical prices of products and services to ensure that the terms of supplying products and services to the Recipients of the Products and Services (including above pricing policies) are fair and reasonable.

For the 2023 Provision of Products and Services Framework Agreement, the pricing policies of each kind of products and services are determined after taking into account a variety of factors such as costs, profit margin, purchase volume, applicable historical prices and the prevailing market conditions, and the Company will review, adjust and approve such pricing policies regularly on an annual basis and when it deems necessary. In light of the factors in determining the relevant prices and the internal review and approval procedures, the Directors (excluding the independent non-executive Directors whose view has been included in the section headed "Letter from the Independent Board Committee" of this circular) are of the view that the pricing policies were determined after arm's length negotiations, and are fair and reasonable, on the normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### *Historical amounts*

The historical amounts for the provision of the above products and services by the Group to the Recipients of the Products and Services were approximately RMB2,957.0 million, RMB2,149.4 million and RMB610.9 million for the two years ended 31 December 2022 and the six months ended 30 June 2023, respectively.

The annual caps for the two years ended 31 December 2022 and the year ending 31 December 2023 are RMB5,000 million, RMB6,400 million and RMB8,700 million, respectively.

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## LETTER FROM THE BOARD

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### *Proposed annual caps*

In respect of the 2023 Provision of Products and Services Framework Agreement, proposed annual caps for the transaction amount to be paid by the Recipients of the Products and Services to the Group for the three years ending 31 December 2026 are set out in the table below:

	<b>Proposed annual caps for the year ending 31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by the Recipients of the Products and Services to the Group	2,929,033	2,966,487	2,971,893

### *Basis of caps*

The Board determines the above proposed annual caps based on the following reasons:

- (i) the historical transaction amounts for the two years ended 31 December 2022 and the six months ended 30 June 2023 under the existing products and services provision arrangements between the Group and the Recipients of the Products and Services and the trend of business development after the Strategy 2.0 Continuum;

In the second half of 2021, the Company further deepened its strategy, namely “Strategy 2.0 Continuum”, seized the huge market opportunities of online healthcare services, and leveraged the strategic advantages of Ping An Group’s healthcare ecosystem to establish a sustainable development model of “managed care + family doctor membership + O2O healthcare services”, integrating suppliers on behalf of payers, and striving to “provide every enterprise with a harmonious workplace, every family with a dedicated doctor, and every user with a safe and healthy life”. Compared with the past, the Company’s target customer base has extended from individual customers to financial customers and corporate customers with more capacity and willingness to pay. At the same time, leveraging the digital healthcare, the Company has been expanded its business horizontally and vertically, with the products and services being horizontally broadened from “medical” to “medical + health” and offline services being vertically extended on top of online services. In the future, the Company will not be an online hospital nor an online pharmacy, but a professional, comprehensive, high-quality and one-stop “medical + health” management service provider, and family doctors will be the key connection point between users and service providers.

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## LETTER FROM THE BOARD

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Since then, the Company has firmly implemented the core concept of “Strategy 2.0 Continuum”, focused on financial customers and corporate customers, upgraded products and services, expand and optimized online and offline healthcare service networks, and made use of technology and AI to assist doctors in improving efficiency, and meanwhile centered on highly profitable businesses which have high strategic relevance.

- (ii) due to the steady business development of the Recipients of the Products and Services, their business demand for online healthcare services, prepaid packages for the purchase of healthcare products and services, products of the Company’s health mall and advertising and consulting services will continue to develop steadily.

In 2023, the Company continues to implement Strategy 2.0 Continuum. On the one hand, by implementing Strategy 2.0 Continuum, the total revenue from connected transactions in relation to business with low strategic synergies in 2023 is expected to record a year-on-year decline and therefore the proposed annual caps for the next three years are lower than the historical annual caps for the past three years.

On the other hand, as disclosed in the 2023 interim report, the adjustments of the Group’s business with low strategic synergies have been basically completed, and the second half of the year is normally the peak season for the performance of contract of checkup products, and therefore the revenue from connected transactions in the second half is expected to be higher than that in the first half. Besides, the Group expects that from 2024 to 2026, with the further implementation of Strategy 2.0 Continuum, the Group will continue to cooperate with the Recipients of the Products and Services and implement the business with strategic synergies, further focus on the business with high strategic relevance and strong profitability such as specialty checkups, online consultation, outpatient appointment assistance and escort, assistance in consultation with renowned doctors and other highlight services, thus the annual caps from 2024 to 2026 is expected to record a steady increase corresponding to the expected continual growth in the Group’s business with strategic synergies.

## **2. 2023 Services Purchasing Framework Agreement**

### *Principal terms*

The Company entered into the 2023 Services Purchasing Framework Agreement with the Parties to the 2023 Services Purchasing Framework Agreement (all of them are associates of Ping An) on 25 October 2023, pursuant to which the Service Providers shall provide a wide spectrum of services to the Group, including but not limited to consulting services, health management services, business promotion services, outsourcing services relating to finance, human resources and administrative matters, insurance services, online traffic re-directing services and customer referral services. The Group shall, in return, pay service fees to the Service Providers. The precise scope of the service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately.



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## LETTER FROM THE BOARD

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### *Reasons for the transaction*

Since its establishment, the Group has been purchasing a variety of services from the Service Providers to satisfy its business and operational needs. Owing to the strategic business relationship, the Service Providers have acquired a comprehensive understanding of the Group's business and operational requirements and established a foundation for mutual trust. Taking into consideration the Group's previous purchasing experience with the Service Providers, the Group believes that the Service Providers are capable of fulfilling the Group's demands efficiently and reliably with a stable and high-quality supply of services, and entering into the 2023 Services Purchasing Framework Agreement would minimize disruption to the Group's operation and internal procedures. In addition, it would be more cost-effective for the Group to outsource procedural and commoditized work to the Service Providers rather than maintaining its own headcounts for processing such work.

The cooperation between the Group and the Service Providers will create online and offline synergies and facilitate business improvement and development for both parties. Therefore, the Board expects that the cooperation between the Group and the Service Providers will be continuously deepened and expanded in the future.

### *Pricing policies*

Taking into consideration the estimated transaction amount, the services fees to be paid by the Group to the Service Providers under the 2023 Services Purchasing Framework Agreement will be determined (1) through bidding procedures according to the internal rules and procedures of the Group. The Group will compare the fees rates offered by other independent third parties as well as accessing its business needs and the relevant qualifications/experience of the bidders in providing such services before determining the service fee rate for the transactions under the 2023 Services Purchasing Framework Agreement; and (2) if no tendering and bidding process is required under the Group's internal rules, through arm's length negotiations between the parties based on the historical fees of such services, the nature of the services, the frequency for providing such services by the Service Providers and comparable market rates. The pricing terms under the 2023 Services Purchasing Framework Agreement will be no less favorable to the Company than terms of services available from independent third parties (if applicable), and the services fees are in line with market rates and are in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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For the 2023 Services Purchasing Framework Agreement, when determining whether to accept the services fees of the products as offered by the Service Providers, the Group will make reference to the followings: for services required bidding process, the services fees to be paid by the Group will be determined through public bidding procedures according to the internal rules and procedures of the Group; for services without bidding process, the demand initiation department will conduct market inquiry in advance, form a connected transaction pricing evaluation form after price fairness analysis, submit it to the finance department for evaluation of the fairness of pricing (independent opinions from external agency may be sought if necessary), and submit for the approval from corresponding management based on the caps numbers. If the Group, after taking into consideration all the above-mentioned factors and going through internal procedures, considers that the service fee offered by the Service Provider(s) is less favourable to the Company than terms of services available from independent third parties (if applicable), it will not purchase such products from the Service Provider(s). In light of the above, the Directors (excluding the independent non-executive Directors whose view has been included in the section headed “Letter from the Independent Board Committee” of this circular) are of the view that the pricing policies were determined after arm’s length negotiations, and are fair and reasonable, on the normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### *Historical amounts*

The transaction amounts paid by the Group to the Service Providers in respect of the above services were approximately RMB491.8 million, RMB462.0 million and RMB269.5 million for the two years ended 31 December 2022 and the six months ended 30 June 2023, respectively.

The annual caps for the two years ended 31 December 2022 and the year ending 31 December 2023 are RMB890 million, RMB1,260 million, and RMB1,638 million, respectively.

### *Proposed annual caps*

In respect of the 2023 Services Purchasing Framework Agreement, proposed annual caps for the transaction amounts to be paid by the Group to the Service Providers for the three years ending 31 December 2026 are set out in the table below:

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by the Group to the Service Providers	851,224	990,897	1,127,709

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## LETTER FROM THE BOARD

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### *Basis of caps*

The Board determines the above proposed annual caps based on the following reasons:

- (i) the historical transaction amount and the change trend for the two years ended 31 December 2022 and the six months ended 30 June 2023 under the existing service purchase arrangement between the Group and the Service Providers;
- (ii) due to the expected continual growth in the Group's operational scale in the three years ending 31 December 2026, the Group's needs for services such as consulting service, insurance service and business promotion services to be offered by the Service Providers in supporting the Group's business operation are expected to grow, taking into account the Group's sales target of the Group's existing products and services. Under the concept of Strategy 2.0 Continuum, compared with the past, the Company's target customer base has extended from individual customers to financial customers and corporate customers with more capacity and willingness to pay. Thus, the Group will cooperate with Ping An Group to create synergies between various medical and health management services or benefits and the insurance business, and deeply engage in the health management of policyholders, such as specialty checkups, online consultation, outpatient appointment assistance and escort, assistance in consultation with renowned doctors and other highlight services. Based on such strategic arrangements and subject to the pricing policies agreed under the 2023 Services Purchasing Framework Agreement, certain Service Providers are expected to become major suppliers for the above-mentioned medical health management services to meet the rising demands of the Group;
- (iii) the Group's procurement from the Service Providers is expected to increase significantly due to the diversification of services offered by Service Providers; and
- (iv) the expected increase of service fee to be charged by the Service Providers due to the estimated increase of cost of labor for the provision of services by the Service Providers.

On the one hand, due to the adjustments of the business with low strategic synergies, the relevant procurement demands of the Group from the Service Providers decreased, resulting in a track record of relatively lower actual utilization rates. After taking into the consideration of the effect of the strategic adjustment, the proposed annual caps for the transactions contemplated under the 2023 Services Purchasing Framework Agreement for the three years ending 31 December 2026 have been reduced significantly as compared with the annual caps of the three years ending 31 December 2023.

On the other hand, from 2022 to 2024, with the gradual optimization of Ping An Group's healthcare ecosystem, more medical and health-related services with higher quality can be provided by the Service Providers, and the scope and size of cooperation between the Group and Service Providers may expand accordingly. Specifically, the expected transaction amount

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## LETTER FROM THE BOARD

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for 2024 represents increase of 240% with Ping An E-wallet Electronic Commerce Co., Ltd. and 282% with Ping An Property & Casualty Insurance Company of China, Ltd., as compared to the historical amount for 2022, mainly due to the expected increase in estimated payment of incentives for sales personnel and payment of platform services fees alongside with the Group's business growth, as well as the expected increase in liability insurance purchase by the Group. At the same time, due to the business planning, the expected continual growth in the Group's operational scale, and the diversification of services offered by Service Providers, certain business, for example, the purchase of liability insurance from the Service Providers, is expected to see an annual growth rate of over 10% from 2024 to 2026.

### **3. 2023 Financial Service Cooperation Framework Agreement**

#### *Principal terms*

The Company entered into the 2023 Financial Service Cooperation Framework Agreement with the Parties to the 2023 Financial Service Cooperation Framework Agreement (all of them are associates of Ping An) on 25 October 2023, pursuant to which the Deposit Service Provider shall provide deposit service to the Group, and Wealth Management Service Providers shall provide wealth management service (including structural deposit products) to the Group. With respect to the deposit service provided, the Group deposits cash into the bank accounts of the Group at the Deposit Service Provider, including cash generated from the Group's daily business operations, the proceeds generated from the financing activities of the Group and the net proceeds received from the global offering of the Company, provided that the Deposit Service Provider is qualified to take deposits. In return, the Deposit Service Provider shall pay deposit interest to the Group. In respect of the wealth management service, the Group purchases investment products and service from Wealth Management Service Providers and receive investment income in return.

#### *Reasons for the transaction*

As the Deposit Service Provider has been providing deposit service and the Wealth Management Service Providers have been providing wealth management service to the Group during the track record period, they have developed a deep understanding of the Group's capital structure, business operations, funding needs and cash flow patterns, which facilitates the provision of expedient and efficient services. Therefore, the Deposit Service Provider and the Wealth Management Service Providers are well-positioned to provide the Group with customized financial services.

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## LETTER FROM THE BOARD

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### *Pricing policies*

#### *Deposit service*

Interest rates for the deposits placed by the Group with the Deposit Service Provider will refer to: (i) the interest rate published by the PBOC for deposits of a similar type for the same period, (ii) the interest rate for deposits of a similar type for the same period placed by independent third parties, or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries. Such interest rates are in line with market rates and are in the best interests of the Company and its Shareholders as a whole.

When the Group considers a deposit transaction, it will conduct a market enquiry process among not less than two major independent commercial banks and all necessary internal review and approval process to determine the service provider by taking into account factors comprehensively such as the size and qualifications of the service provider, the interest rate and the liquidity need of the funds.

The interest rates for deposits placed by the Group with the Deposit Service Provider were and will continue be not lower than the rates for similar deposit services (with similar terms including liquidity and security relevant terms) offered by the large-sized major independent commercial banks during market enquiry process (including but not limited to Industrial and Commercial Bank of China, Bank of China, China Construction Bank, China Merchants Bank and CITIC Bank).

#### *Wealth management service*

The investment income to be received by the Group from the purchase of wealth management products from the Wealth Management Service Providers will be: (i) subject to the benchmark fee for similar types of wealth management products published by PBOC or the National Administration of Financial Regulation (if applicable) from time to time, (ii) comparable to, or no less favorable than the average investment income rates (if applicable) offered by independent commercial banks or financial institutions to the Group for similar types of wealth management products, and (iii) based on the investment income rates for the wealth management products offered by the Wealth Management Service Providers, which will apply to all purchasers of such wealth management products, including the Group and any independent third party.

For the 2023 Financial Service Cooperation Framework Agreement, in determining the interest rates for the deposits, the Group shall obtain the quotation on interest rates from the Deposit Service Provider and make reference to the interest rates of the similar type of deposits for the same period offered by not less than two major independent commercial banks; in determining the investment income rates for the wealth management products, the Group shall obtain the quotation on the estimate investment income rates from the Wealth Management Service Provider and make reference to estimate investment income rates of the similar types of wealth management products offered by not less than two major independent commercial

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## LETTER FROM THE BOARD

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banks or financial institutions. If the Group, after taking into consideration all the above-mentioned factors and going through internal procedures, considers that the interest rate/investment income rate provided by the Deposit Service Provider/Wealth Management Service Provider(s) is less favourable to the Company than that available from independent third parties, it will not to purchase the deposit service/wealth management service from the Deposit Service Provider/Wealth Management Service Provider(s), respectively. In light of the above, the Directors (excluding the independent non-executive Directors whose view has been included in the section headed “Letter from the Independent Board Committee” of this circular) are of the view that the pricing policies were determined after arm’s length negotiations, and are fair and reasonable, on the normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### *Historical amounts*

In respect of the deposit service provided by the Deposit Service Provider to the Group, the maximum daily balance of deposit placed by the Group with the Deposit Service Provider were approximately RMB7,926.4 million, RMB5,248.8 million and RMB5,744.6 million, and the interest income received by the Group from the Deposit Service Provider was RMB33.6 million, RMB42.2 million and RMB26.0 million for the two years ended 31 December 2022 and the six months ended 30 June 2023, respectively.

For the two years ended 31 December 2022 and the year ending 31 December 2023, the annual caps for the maximum daily balance of the deposit are RMB10,000 million, RMB10,000 million and RMB10,000 million, and the annual caps for the interest income from the deposit services are RMB320 million, RMB320 million and RMB320 million, respectively.

In respect of the wealth management service provided by the Wealth Management Service Providers to the Group, the maximum daily balance of the wealth management products purchased by the Group from the Wealth Management Service Providers were approximately RMB5,132.7 million, RMB5,869.0 million and RMB5,104.0 million, and the investment income received by the Group from the Wealth Management Service Providers was RMB193.1 million, RMB209.7 million and RMB75.7 million for the two years ended 31 December 2022 and the six months ended 30 June 2023, respectively.

For the two years ended 31 December 2022 and the year ending 31 December 2023, the annual caps for the maximum daily balance of the wealth management products are RMB10,000 million, RMB10,000 million and RMB10,000 million, and the annual caps for the investment income from the wealth management services are RMB450 million, RMB450 million and RMB450 million, respectively.

In connection with the Group’s daily working capital and liquidity needs, not all of the Group’s available funds are used for investments, some of which are deposits or wealth management products (such as current agreement deposits, currency funds, etc.) with high liquidity and relatively lower yields. The interest rates for similar highly liquid deposits or wealth management products provided by deposit and wealth management service providers

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## LETTER FROM THE BOARD

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under the 2020 Financial Service Framework Agreement range from 1.35% to 2.70%, whereas the interest rates for similar services from independent commercial banks in the market range from 1.35% to 2.60% for November 2023. The yield provided by the deposit and wealth management service providers under the 2020 Financial Service Framework Agreement is not lower than the market yield.

In addition, the expected deposit interest rate of 3.2% and the rate of return of investment of 4.5% are used for the calculation of the annual caps for the three years ending 31 December 2023, which is the maximum daily balance set for deposit services and wealth management services under the 2020 Financial Service Framework Agreement, while the historical interest income and investment income received by the Company are the overall interest income/investment income for the year.

For the year of 2024 to 2026, the Group will continue to focus on improving the efficiency of asset allocation and increasing the overall yield.

### ***Proposed annual caps***

In respect of the 2023 Financial Service Cooperation Framework Agreement, the maximum daily balance of the principal of deposits to be placed by the Group with the Deposit Service Provider, the deposit interest income received by the Group from the Deposit Service Provider, the maximum daily balance of all investment products and service purchased by the Group from the Wealth Management Service Providers and the investment income to be received by the Group from the Wealth Management Service Providers for the three years ending 31 December 2026 shall not exceed the respective proposed annual caps as set out in the table below:

<b>Deposit Service</b>	<b>Proposed annual caps for the year ending 31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in thousands)</i>		
Maximum daily balance of the principal of deposits to be placed by the Group with the Deposit Service Provider	10,000,000	10,000,000	10,000,000
Deposit interest income to be received by the Group from the Deposit Service Provider	320,000	320,000	320,000



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## LETTER FROM THE BOARD

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	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
<b>Deposit Service</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in thousands)</i>		

### **Wealth Management Service**

Maximum daily balance of all investment products and service purchased by the Group from the Wealth Management Service Providers	10,000,000	10,000,000	10,000,000
Investment income to be received by the Group from the Wealth Management Service Providers	422,000	422,000	422,000

### ***Basis of caps***

#### ***Deposit Service – Maximum daily balance of the principal of deposits to be placed by the Group with the Deposit Service Provider***

The above proposed annual caps for the maximum daily balance of the principal of deposits to be placed by the Group with the Deposit Service Provider are determined with reference to the following basis:

- (i) the historical amounts for the two years ended 31 December 2022 and the six months ended 30 June 2023 under the existing deposit services arrangements;
- (ii) the current and expected future cash flow position of the Group in light of the Group's estimated scale of business operation and demand for deposit services in the future with reference to the total available funds of the Group as at 30 June 2023, which were RMB12,524.6 million; and
- (iii) assuming that the Group could utilize all its total available funds for the deposit service or the wealth management service at some time in the three years ending 31 December 2026, the Group determined the annual caps of both the maximum daily balance of deposit and the wealth management products taking into account (a) the total available funds of the Group as at 30 June 2023, and (b) the estimated increase in the total available funds of the Group.



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## LETTER FROM THE BOARD

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In determining the proposed annual caps for the 2023 Financial Service Cooperation Framework Agreement, the Company mainly considers the estimated changes in the Group's total available funds and net cash to be used in operating activities in the near future. With the nearly completion of the adjustments of the Group's business with low strategic synergies, the continuous growth of strategic business revenue with high profitability, the continuous optimization of resources allocation as well as gradual improvement of digital operation efficiency, the Company's net loss has been significantly narrowed, resulting in the net cash used in operating activities gradually improved. The total available funds of the Group increased from RMB12.476 billion as at 31 December 2022 to RMB12.525 billion as at 30 June 2023.

Taking into account the continuous deepening of the Group's strategy, it is expected that the scale of funds will gradually increase in the future. Besides, considering that the utilization rate of the historical maximum daily balance of deposits has reached 79% and the future capital allocation plan of the Group, it is estimated that the annual caps of the maximum daily balance of deposits and wealth management products for the three years ending 31 December 2026 will remain at RMB10 billion.

### ***Deposit Service – Deposit interest income to be received by the Group from the Deposit Service Provider***

In respect of the deposit service to be provided by the Deposit Service Provider to the Group, the above proposed annual caps for the interest income of RMB320 million to be received by the Group from the Deposit Service Provider are calculated by multiplying the expected interest rates of approximately 3.2% by the proposed maximum daily balance of the deposit of RMB10,000 million. The expected interest rate is mainly determined with reference to historical deposit interest rates, including the deposit interest rate from the Deposit Service Provider obtained by the Group in 2022 ranging from 1.15% to 4.22%. Meanwhile, the expected deposit interest rate is also determined by considering the liquidity needs of daily funds of the Group and the risk characteristics of the deposit services, which is in line with the prevailing market rates. Having considered the basis for the estimated interest rate and the proposed maximum daily balance of the deposit, the Board believes that the proposed annual caps for the interest income for the three years ending 31 December 2026 are fair and reasonable.

### ***Wealth Management Service – Maximum daily balance of all investment products and service purchased by the Group from the Wealth Management Service Providers***

In respect of the investment products and service to be purchased by the Group from the Wealth Management Service Providers, the above proposed annual caps for the maximum daily balance of all investment products and service are determined with reference to the following:

- (i) the historical transaction amounts for the two years ended 31 December 2022 and the six months ended 30 June 2023 under the existing wealth management services arrangements;

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## LETTER FROM THE BOARD

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- (ii) the expected volume of deposit to be placed with the Deposit Service Provider with certain reserve for liquidity purposes with reference to the total available funds of the Group as at 30 June 2023, which were RMB12,524.6 million. Taking into consideration the Group's future treasury policy, which balances the Group's working capital and liquidity needs as well as its investment in wealth management products to increase its investment income, it is currently expected that the Company may purchase wealth management products from the Wealth Management Service Providers with up to 100% of its deposit with the Deposit Service Provider; and
- (iii) assuming that the Group could utilize all its total available funds for the deposit service or the wealth management service at some time in the three years ending 31 December 2026, the Company determined the annual caps of both the maximum daily balance of deposit and the wealth management products taking into account (a) the total available funds of the Group as at 30 June 2023, and (b) the estimated increase in the total available funds of the Group.

### ***Wealth Management Service – Investment income to be received by the Group from the Wealth Management Service Providers***

The above proposed annual caps for the investment income of RMB422 million to be received by the Group from the Wealth Management Service Providers are calculated by multiplying the expected return rate of approximately 4.22% by the proposed maximum daily balance of all investment products and service of RMB10,000 million. The expected return rate of investment is mainly determined with reference to historical return rate of investment, including the return rate of investment from the Wealth Management Service Providers obtained by the Group in 2022 ranging from 1.65% to 5.95%. Meanwhile, the expected return rate of the wealth management service is also determined by comprehensively considering the Group's future capital allocation plan, currency, maturity and risk characteristics, which is in line with the prevailing market rates. The Group's decisions on the investment products of the Wealth Management Service Providers are based on risk and return analysis under the Group's treasury policy, as well as an analysis of suitable and comparable products available in the market. Having considered the basis for the estimated investment return rate and the proposed maximum daily balance of all investment products and service, the Board believes that the proposed annual caps for investment income for the three years ending 31 December 2026 are fair and reasonable.

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## LETTER FROM THE BOARD

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### **Board's assessment on the risk of over-reliance on Wealth Management Service Providers**

The Directors are of the view that "...it is currently expected that the Company may purchase wealth management products from the Wealth Management Service Providers with up to 100% of its deposit with the Deposit Service Provider" is only one of the factors considered by the Company in determining the annual cap and does not mean that the Company must actually transact at such amounts with the Wealth Management Service Providers. In addition, the non-exclusive nature of such Wealth Management Service will not restrict the Company from purchasing financial services from other independent third parties.

Before the implementation of each potential wealth management transaction, the Company will comprehensively evaluate the quality of the service providers, the profitability and security of the products, and select the wealth management services that are in the best interest of the Company and the Shareholders as a whole. As at 31 December 2022 and 30 June 2023 respectively, there is no any single material investment held by the Group with a value of 5% or more of the Group's total assets.

In addition, since all of the Wealth Management Service Providers are legally licensed organizations subject to the supervision of National Administration of Financial Regulation or The Securities and Futures Commission according to the applicable rules and regulations, the risk of default is very low. Besides, as disclosed above in this circular, the Company expects that the cooperation between the Group and Ping An Group will continue to deepen in the future, and is unlikely to materially adversely change or terminate.

In light of the above, the Directors believe that the Company does not bear the risk of over-reliance on Wealth Management Service Providers.

The Company has formulated the following measures to mitigate the level of reliance and safeguard its assets:

Firstly, the 2023 Financial Service Cooperation Framework Agreement involves multiple wealth management service providers.

Secondly, the Company will consider using the services under the 2023 Financial Service Cooperation Framework Agreement on a fair, voluntary and non-exclusive basis and is still able to independently choose services provided by other financial institutions based on its own interests. The Group will conduct the processes of market enquiries, obtain internal purchase approvals, and comprehensively consider the qualifications of wealth management service providers, to strictly control the risk and maintain asset liquidity and security, and strive to achieve stable appreciation of assets when purchasing wealth management services.

Thirdly, the main types of wealth management service transactions conducted by the Group are instruments with relatively high liquidity and low-risk such as bank deposits or money market instruments, which demonstrates the overall low investment risk.

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## LETTER FROM THE BOARD

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### **Financial Effect of the wealth management service under the 2023 Financial Service Cooperation Framework Agreement**

The subjects of the Group's wealth management service transactions are instruments with relatively higher liquidity and lower risks, and the Group strives for a steady and healthy increase in the value of assets while strictly controlling the risks and maintaining the liquidity of assets. After taking into account the relevant factors included in the section headed "Reasons for the transaction" of "3. 2023 Financial Service Cooperation Framework Agreement" in the Circular, it is expected that the financial assets purchased by the Group will effectively improve the yield and liquidity of the idle funds, and for the purpose of such investment, it will generate earnings, and it is expected that the total assets of the Group will also increase accordingly, and that such investment will have no impact on the liabilities of the Group. The Group anticipates that such investment will have a positive impact on the financial performance of the Group as a whole.

### **C. INTERNAL CONTROL MEASURES**

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 the Group than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms, the Company has adopted the following internal control procedures:

- the Company has adopted and implemented a management system on connected transactions. Under such system, the audit and risk management 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 and risk management committee under the Board, the Board and various internal departments of the Company (including but not limited to the finance department and legal and compliance 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 and risk management 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. The Board will also monitor the aggregate amount of all the continuing connected transactions between the Group and Ping An Group and control the aggregate amount under the continuing transactions as a percentage of the Company's total revenue to a relatively stable level. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements on an annual basis;

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## LETTER FROM THE BOARD

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- the Company's independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements in accordance with the Listing Rules and provide annual confirmation to ensure that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and aligned with the pricing policy; and
- when considering the service fees and other fees payable by the Group to the 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 through bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered by independent third parties.

The Company will timely comply with the relevant disclosure requirements in relation to connected transactions to provide the Shareholders and investors with sufficient information of the connected transactions, and duly implement the abovementioned internal control procedures to ensure that the transactions conducted are priced fairly and reasonably and in the interest of the Company and the Shareholders as a whole.

### **D. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Ping An is the controlling shareholder of the Company and holds approximately 39.41% of the total issued share capital of the Company, and thus the associates of Ping An are connected persons of the Company. Therefore, the transactions contemplated under each of (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement and (iii) the 2023 Financial Service Cooperation Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for each of the (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement, on a stand-alone basis, is more than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement, circular (including independent financial adviser's advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the wealth management service of the 2023 Financial Service Cooperation Framework Agreement is more than 25% but less than 75%, the wealth management service transactions contemplated thereunder therefore constitute major transactions of the Company and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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### E. GENERAL INFORMATION

The Group mainly provides online medical services. With “managed care + family doctor memberships + O2O medical services” as the main business model, the Group will undertake users’ healthcare demand, connect healthcare resources and provide healthcare products and services leveraging on family doctor membership, expand its online and offline service network, and build an integrated healthcare services platform.

The parties to the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement and the 2023 Financial Service Cooperation Framework Agreement are all associates of Ping An, and their information are as follows:

<b>Name</b>	<b>Principal business</b>
Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司)	Principally engaged in life insurance and reinsurance businesses.
Ping An Asset Management Company Limited (平安資產管理有限責任公司)	Principally engaged in asset management business and related consulting business.
Ping An Health Insurance Company of China, Ltd. (平安健康保險股份有限公司)	Principally engaged in health insurance and accidental injury insurance businesses, and related consulting services, agency and reinsurance business.
Ping An Bank Co., Ltd. (平安銀行股份有限公司)	A nationwide joint-stock commercial bank, principally engaged in the provision of various financial services.
Ping An Trust Co., Ltd. (平安信託有限責任公司)	Principally engaged in trust business and fund investment business.
Ping An Fund Management Co., Ltd. (平安基金管理有限公司)	Principally engaged in publicly offered securities investment fund management, fund sales, private asset management businesses.
Ping An Securities Co., Ltd. (平安證券股份有限公司)	Principally engaged in securities brokerage, advisory on securities investment, financial advisory relating to securities transactions and investment activities, securities underwriting and sponsorship, proprietary securities business and securities asset management businesses.

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## LETTER FROM THE BOARD

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<b>Name</b>	<b>Principal business</b>
Ping An International Financial Leasing Co., Ltd. (平安國際融資租賃有限公司)	Principally engaged in the provision of financial leasing services, leasing services and commercial factoring services.
Ping An Haoyi Investment Management Co., Ltd. (平安好醫投資管理有限公司)	Principally engaged in the provision of offline medical services.
Shenzhen Ping An Financial Services Co., Ltd. (深圳平安綜合金融服務有限公司)	Principally engaged in the provision of remote customer services, remote sales consulting services, risk asset management, financial sharing services and human resource sharing services.
Ping An E-wallet Electronic Commerce Co., Ltd. (平安壹錢包電子商務有限公司)	Having diversified payment qualifications, covering internet payment, mobile payment, prepaid card issuance and acceptance (nationwide), bank card receipt, cross-border payment and fund payment, with its other subsidiaries engaged in the provision of services such as shopping, consumption, life and air travel.
Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司)	Principally engaged in property loss insurance, liability insurance, credit insurance and other insurance businesses and reinsurance businesses.
Ping An Real Estate Co., Ltd. (平安不動產有限公司)	A real estate investment service provider, principally engaged in engineering management, engineering consultation and supervision businesses.
Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司)	Principally engaged in the provision of pension and annuity services, and related reinsurance and asset management products and services.
Ping An Technology (Shenzhen) Co., Ltd. (平安科技(深圳)有限公司)	A scientific solution expert, committed to the application of artificial intelligence, cloud computing and other advanced technologies.
China Ping An Insurance Overseas (Holdings) Limited (中國平安保險海外(控股)有限公司)	Principally engaged in the provision of various overseas investment products, asset management and consulting services.



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## LETTER FROM THE BOARD

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<b>Name</b>	<b>Principal business</b>
OneConnect Financial Technology Co., Ltd. (壹账通金融科技有限公司)	A technology-as-a-service provider for financial institutions, provides clients with “full stack” integrated products, including Digital Banking, Digital Insurance, and Gamma Platform which offers fintech infrastructure services.
Lufax Holding Ltd. (陸金所控股有限公司)	Principally engaged in providing or arranging credit enhancement services, granting of loans, and providing post-loan services (such as collection service), value-added services and tools.
Ping An Medical and Healthcare Management Co., Ltd. (平安醫療健康管理股份有限公司)	Principally engaged in medical insurance technology related businesses.
Ping An Wealth Management Co., Ltd. (平安理財有限責任公司)	Principally engaged in the public offering of financial products to the non-specific public, asset investment and management for entrusted investors; non-public offering of financial products to qualified investors, asset investment and management for entrusted investors; and the provision of financial advisory and consulting services.
Ping An-Shionogi Co., Ltd. (平安鹽野義有限公司)	Principally engaged in research, development, manufacture and sales of drugs.
Beijing Shengshi TCM Clinic Co., Ltd. (北京盛實中醫診所有限公司)	Principally engaged in medical services, drug retail, internet information services and others.
Shenzhen Qianhai Lianliyang Investment Co., Ltd. (深圳前海聯禮陽投資有限責任公司)	Principally engaged in the investment in and start up new businesses, information consultation and business management.



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## LETTER FROM THE BOARD

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To the best knowledge of our Directors having made reasonable enquiries, as at the Latest Practicable Date, the ultimate beneficial owners of Ping An-Shionogi Co., Ltd. (平安鹽野義有限公司) are Ping An and Shionogi & Co., Ltd. (鹽野義製藥株式會社), a listed company on the Tokyo Stock Exchange (stock code: 45070) and principally engaged in businesses of research, development, manufacturing and distribution of pharmaceuticals, etc. The ultimate beneficial owners of Beijing Shengshi TCM Clinic Co., Ltd. (北京盛實中醫診所有限公司) are Ping An and TSUMURA & CO. (株式會社津村), a listed company on the Tokyo Stock Exchange (stock code: 4540) and principally engaged in the production of Kampo formulations and the production and sales of bath salt. Save as disclosed above, to the best knowledge of our Directors having made reasonable enquiries, as at the Latest Practicable Date, all the parties to the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, the 2023 Financial Service Cooperation Framework Agreement and the 2023 Property Leasing Framework Agreement are listed companies or have Ping An as their ultimate beneficial owner. Ping An is an insurance and financial services group in the PRC with the ability to provide multiple insurance and financial services and products to corporate and retail customers.

### **F. EXTRAORDINARY GENERAL MEETING**

The EGM will be held at Academic Lecture Hall, 4th Floor, Ping An Good Health Shanghai Testing Center, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC, at 10:00 a.m. on Friday, 15 December 2023, and the relevant notice is set out on pages 74 to 75 of this circular.

At the EGM, ordinary resolutions will be proposed to approve the renewal of continuing connected transactions contemplated under: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement (including the proposed annual caps for each of the three years ending 31 December 2026).

The register of members of the Company will be closed from Tuesday, 12 December 2023 to Friday, 15 December 2023, both days inclusive, during which no transfer of Shares will be effected. In order to ascertain Shareholders' rights for the purpose of attending and voting at the EGM, all transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 11 December 2023 for registration.

A form of proxy for use at the EGM is enclosed with this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Submission of a form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish, and in such event, the form of proxy will be deemed to be revoked.

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## LETTER FROM THE BOARD

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### **G. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **H. PERSONS WHO ARE REQUIRED TO ABSTAIN FROM VOTING ON THE RESOLUTIONS**

In accordance with the Listing Rules, any Shareholder and its close associates with a material interest in the relevant connected transaction is required to abstain from voting on the resolution.

The 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, and the 2023 Financial Service Cooperation Framework Agreement are entered into between the Company and the associates of Ping An. Therefore, Ping An and its close associates are required to abstain from voting on the relevant resolutions. Since Glorious Peace Limited (being interested in 441,000,000 Shares, representing approximately 39.41% of the total number of Shares as at the Latest Practicable Date) is indirectly wholly owned by Ping An, Glorious Peace Limited is an associate of Ping An and is therefore required to abstain from voting on the relevant resolutions as proposed herein.

Le An Xin (PTC) Limited, the trustee of the Employee Incentive Scheme, will also abstain from voting at the EGM with respect to 38,532,262 Shares held by it in accordance with Rule 17.05A of the Listing Rules.

As at the Latest Practicable Date and to the best knowledge, information and belief of the Directors, save as disclosed in this circular, none of the other Shareholders shall abstain from voting on the resolutions as proposed herein.

### **I. RECOMMENDATION**

The Directors (excluding the independent non-executive Directors whose view has been included in the section headed “Letter from the Independent Board Committee” of this circular) are of the view that the terms of (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement were determined after arm’s length negotiations, and the transactions contemplated thereunder (including the annual caps for the three years ending 31 December 2026) are conducted in the ordinary and usual course of business of the Group and are on normal commercial terms and, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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As Ms. Tan Sin Yin, Ms. Fu Xin and Mr. Li Dou hold directorships and/or other positions in the parties to the above agreements or Ping An, they have therefore abstained from voting on the relevant Board resolutions approving each of the renewal of continuing connected transactions contemplated under: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereunder for the three years ending 31 December 2026). Save as disclosed above, none of the other Directors has material interests in the transactions contemplated above.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the renewal of continuing connected transactions contemplated under: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereunder for the three years ending 31 December 2026).

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 34 to 35 in this circular. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect. Your attention is drawn to the letter from Gram Capital set out on pages 36 to 63 in this circular.

The Directors recommend the Independent Shareholders to vote in favor of all the ordinary resolutions to be proposed at the EGM.

By order of the Board  
**PING AN HEALTHCARE AND  
TECHNOLOGY COMPANY LIMITED**  
**Li Dou**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

24 November 2023

*To the Independent Shareholders,*

Dear Sir or Madam,

#### PROPOSED RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 24 November 2023 (the “**Circular**”), of which this letter forms a part. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of Independent Board Committee to advise the Independent Shareholders in respect of the proposed renewal of continuing connected transactions contemplated under: (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement (including the proposed annual caps for the three years ending 31 December 2026), details of which are set out in the “*Letter from the Board*” in the Circular. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the “*Letter from the Board*” set out on pages 8 to 33 of the Circular and the “*Letter from Gram Capital*” set out on pages 36 to 63 of the Circular.

Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in the “*Letter from Gram Capital*” in the Circular, we concur with the view of the Independent Financial Adviser and consider that the terms of (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement were determined after arm’s length negotiation, and the transactions contemplated thereunder (including the annual caps for the three years ending 31 December 2026) are conducted in the ordinary and usual course of business of the Group and are on normal commercial terms and, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve (i) the 2023 Provision of Products and Services Framework Agreement, (ii) the 2023 Services Purchasing Framework Agreement, and (iii) the 2023 Financial Service Cooperation Framework Agreement and the transaction contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2026).

Yours faithfully,

**INDEPENDENT BOARD COMMITTEE**

**Mr. Tang Yunwei      Mr. Guo Tianyong**

**Dr. Chow Wing Kin Anthony**

*Independent non-executive Directors*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

24 November 2023

*To: The independent board committee and the independent shareholders of Ping An Healthcare and Technology Company Limited*

Dear Sir/Madam,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) transactions contemplated under the 2023 Provision of Products and Services Framework Agreement (the “**Provision Transactions**”); (ii) transactions contemplated under the 2023 Services Purchasing Framework Agreement (the “**Purchase Transactions**”); and (iii) transactions contemplated under the 2023 Financial Service Cooperation Framework Agreement (the “**Financial Transactions**”, together with the Provision Transactions and the Purchase Transactions, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 24 November 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Company entered into the 2023 Provision of Products and Services Framework Agreement with the Parties to the 2023 Provision of Products and Services Framework Agreement (all are associates of Ping An) on 25 October 2023, pursuant to which the Group shall provide various types of products and services to the Recipients of the Products and Services for a term of three years commencing from 1 January 2024.

The Company entered into the 2023 Services Purchasing Framework Agreement with the Parties to the 2023 Services Purchasing Framework Agreement (all are associates of Ping An) on 25 October 2023, pursuant to which the Service Provider shall provide a wide spectrum of services to the Group for a term of three years commencing from 1 January 2024.

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## LETTER FROM GRAM CAPITAL

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The Company entered into the 2023 Financial Service Cooperation Framework Agreement with the Parties to the 2023 Financial Service Cooperation Framework Agreement (all are associates of Ping An) on 25 October 2023, pursuant to which the Deposit Service Providers shall provide deposit service to the Group, and the Wealth Management Service Providers shall provide wealth management service (including structural deposit products) to the Group for a term of three years commencing from 1 January 2024.

With reference to the Board Letter, the Provision Transactions, the Purchase Transactions and the Financial Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Financial Transactions also constitute major transaction of the Company under Chapter 14 of the Listing Rules.

The Independent Board Committee comprising Mr. Tang Yunwei, Mr. Guo Tianyong and Dr. Chow Wing Kin Anthony has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **INDEPENDENCE**

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser. Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Company's management (collectively, the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the

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## LETTER FROM GRAM CAPITAL

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truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Parties to the 2023 Provision of Products and Services Framework Agreement, the Parties to the 2023 Services Purchasing Framework Agreement, the Parties to the 2023 Financial Service Cooperation Framework Agreement and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.



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## LETTER FROM GRAM CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration of the following principal factors and reasons:

#### A. BACKGROUND OF THE TRANSACTIONS

##### Information on the Group

With reference to the Board Letter, the Group mainly provides online medical services. With “managed care + family doctor memberships +O2O medical services” as the main business model, the Group will undertake users’ healthcare demand, connect healthcare resources and provide healthcare products and services leveraging on family doctor membership, expand its online and offline service network, and build an integrated healthcare services platform.

Set out below are the Group’s consolidated financial information for the two years ended 31 December 2022 as extracted from the Company’s annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”):

	<b>For the year ended 31 December 2022  (“FY2022”) RMB’000 (audited)</b>	<b>For the year ended 31 December 2021 (restated)  (“FY2021”) RMB’000 (audited)</b>	<b>Change %</b>
Revenue	6,159,821	7,334,214	(16.0)
– <i>Medical services</i>	2,547,115	2,496,013	2.0
– <i>Health services</i>	3,612,706	4,838,201	(25.3)
Gross profit	1,684,692	1,706,861	(1.3)
Loss attributable to owners of the Company	(607,569)	(1,538,183)	(60.5)

As illustrated by the above table, the Group’s revenue for FY2022 decreased by approximately 16.0% as compared to that for FY2021. With reference to the 2022 Annual Report, such decrease was mainly attributable to decrease in revenue from health services as a result of declined revenue contribution from certain physical goods which have low synergies with managed care strategy and low profitability. The Group’s gross profit also decreased slightly as compared to that for FY2021. In addition, loss attributable to owners of the Company was approximately RMB607.57 million for FY2022, represented a significant decrease of approximately 60.5% as compared to that for FY2021. With reference to the 2022 Annual Report, such decrease was mainly due to reduction in selling and marketing expenses, administrative expenses, and turnaround from net other losses to net other gains.

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## LETTER FROM GRAM CAPITAL

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Set out below are the Group’s consolidated financial information for the six months ended 30 June 2023 (“**1H2023**”) (with comparative figures) as extracted from the Company’s interim report for the six months ended 30 June 2023 (the “**2023 Interim Report**”):

	<b>For the six months ended 30 June 2023</b>	<b>For the six months ended 30 June 2022</b>	<b>Change</b>
	<i>RMB’000</i>	<i>(restated)</i>	<i>%</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	2,222,177	2,830,955	(21.5)
– <i>Medical services</i>	1,033,533	1,134,706	(8.9)
– <i>Health services</i>	1,188,644	1,696,249	(29.9)
Gross profit	715,362	751,638	(4.8)
Loss attributable to owners of the Company	(244,618)	(462,455)	(47.1)

As illustrated by the above table, the Group’s revenue for 1H2023 decreased by approximately 21.5% as compared to that for the corresponding period in 2022 (“**1H2022**”). With reference to the 2023 Interim Report, such decrease was mainly due to decline in revenue from businesses with low strategic synergies, and change in operating models of certain businesses. The Group’s gross profit for 1H2023 also decreased by approximately 4.8% as compared to that for 1H2022. In addition, loss attributable to owners of the Company for 1H2023 was approximately RMB244.62 million, represented a significant decrease of approximately 47.1% as compared to that for the corresponding period in 2022. With reference to the 2023 Interim Report, such decrease was mainly due to the continuous growth of strategic business revenue with high profitability, continuous optimization of resources allocation, and gradual improvement of digital operation efficiency.

With reference to the 2023 Interim Report, the Group will further strengthen its core competitiveness and continuously increase the penetration rate and boost customer value through enhancing synergies with Ping An Group and mutual empowerment. Moreover, with first-mover advantage in digital healthcare and good understanding of end users’ demands for healthcare, the Group will continue to optimize its medical and health product portfolios, upgrade core products, improve employee health management for clients, devise a membership product system, and provide wealth of customized products for different channels and customer groups, meeting diverse needs of payers. In addition, the Company will further emphasize the role of family doctors in providing end-to-end services and proactive management, and continue to expand the high-quality service network, providing users with professional, comprehensive, premium, one-stop, “worry-free, time-saving and money-saving” medical and health services, and constantly improving user experience.

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## LETTER FROM GRAM CAPITAL

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### **Information on parties to the Transaction**

With reference to the Board Letter, Ping An is a company incorporated under the laws of PRC whose shares are dually listed on the Shanghai Stock Exchange (stock code: 601318) and the Hong Kong Stock Exchange (stock code: 2318), the controlling shareholder (as defined under the Listing Rules) and a connected person of the Company. Ping An is an insurance and financial services group in the PRC with the ability to provide multiple insurance and financial services and products to corporate and retail customers.

With reference to the Board Letter, the Parties to the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement and the 2023 Financial Service Cooperation Framework Agreement are all associates of Ping An. Details of the aforesaid parties are set out under the section headed “E. GENERAL INFORMATION” of the Board Letter.

### **B. THE PROVISION TRANSACTIONS**

#### **Reasons for and benefit of the Provision Transactions**

With reference to the Board Letter, as an integral part of Ping An Group’s managed care business model and the flagship platform of Ping An healthcare ecosystem, the Group has been focusing on integrated financial channels and corporate client channels with high willingness to pay and large growth potential since the Strategy 2.0 Continuum (as detailed in the Board Letter), building the bridge between suppliers and payers in the healthcare industry chain, helping users connect the breakpoints in online and offline services, and providing continuous and complete service experience. Collaborating with Ping An Group’s comprehensive financial business by means of providing healthcare management services to the users of Ping An Group’s comprehensive financial business is one of the important strategic planning of the Group’s Strategy 2.0 Continuum, and is also a key link in the implementation of Ping An Group’s managed care business model. Therefore, the Board expects that the cooperation between the Group and Ping An Group will continue to deepen in the future.

Further benefits of the Provision Transactions are set out in the sub-section headed “Reasons for the transaction” under the section headed “1. 2023 Provision of Products and Services Framework Agreement” of the Board Letter. As confirmed by the Directors, the Provision Transactions are conducted in the ordinary and usual course of business of the Group and generate revenue for the Group.

Having considered the above, we are of the view that the Provision Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

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## LETTER FROM GRAM CAPITAL

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### **Principal terms of the Provision Transactions**

Summarised below are the major terms of the Provision Transactions, details of which are set out under the section headed “1. 2023 Provision of Products and Services Framework Agreement” of the Board Letter:

#### ***Date***

25 October 2023

#### ***Parties***

The Company and the Parties to the 2023 Provision of Products and Services Framework Agreement

#### ***Term***

Three years commencing from 1 January 2024

#### ***Subject matters***

The Group shall provide various types of products and services to the Recipients of the Products and Services, including, but not limited to (1) online medical services comprising online consultation, hospital referral, inpatient arrangement, second opinion services, electronic prescriptions and health management; (2) prepaid packages for the purchase of healthcare products and services; (3) provision of products in the Group’s health mall, which is an online platform offering diversified and evolving products offering, mainly including healthcare products such as medicines, health supplements and medical devices and wellness products such as fitness equipment and accessories and personal care products; and (4) advertising and consulting services. Fees shall be paid to the Group by the Recipients of the Products and Services in respect of the provision of such products and services by the Group.

#### ***Pricing policies***

- With respect to the online medical services provided, service fee shall be determined on a cost-plus basis (with gross profit margin of 40%-55%) taking into consideration various commercial factors such as historical profit margin of such services, nature, market competitiveness and profitability of the services, substitutability of the services in the market, frequency for the Group to provide such services, estimated transaction amount and commercial potential for such services, and shall be consistent with the prices of the similar services provided by the Group to independent third parties (“**OMS Pricing Policy**”);

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## LETTER FROM GRAM CAPITAL

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- With respect to prepaid packages for purchase of healthcare products and services, price shall be par value of the prepaid packages. Prepaid Packages contain a variety of product and service items such as health checkups and dental services, which prices shall be determined based on the different product and service items contained in the packages. Prepayment is generally required to be made based on the prices of the packages, and subsequently revenue will be recognized in accordance with the actual performance of the contract. The “par value” for prepaid packages shall be determined by primarily considering prices of the healthcare product and service items contained in the packages with the gross profit margin ranging from 10% to 40%; (“**Prepaid Packages Pricing Policy**”);
- With respect to products in the health mall, prices shall be based on the Group’s purchasing expenses taking into consideration the Group’s expected gross profit margin ranging from 2% to 18% as determined by product category and shall be consistent with prices of the same products provided by the Group to independent third parties (“**Health Mall Pricing Policy**”); and
- With respect to provision of advertising and consulting services, service fee shall be (i) a fixed fee based on, among others, position of advertisement with purchase volume taken into consideration; or (ii) revenue/profit sharing rate agreed separately, which shall be consistent with prices of the similar services provided by the Group to independent third parties.

With reference to the Board Letter, products and services fees that the Group charged the Recipients of the Products and Services are determined on the basis of arm’s length negotiations between the relevant parties, which are in line with market rates and are in the best interests of the Company and the Shareholders as a whole. Reference is also made to the applicable historical prices of products and services to ensure that the terms of supplying products and services to the Recipients of the Products and Services (including above pricing policies) are fair and reasonable.

With reference to the Board Letter, 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 the Group than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms, the Company has adopted the internal control procedures as set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter. We consider that effective implementation of such internal control procedures will ensure fair pricing of the Provision Transactions.

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## LETTER FROM GRAM CAPITAL

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For our due diligence purpose, we obtained a list of products and services under the Provision Transactions for FY2022 (being the latest full financial year of the Company). We also:

- (i) randomly selected a service under online medical services from the aforesaid list and obtained from the Company a set of relevant sales record of this service provided by the Group to connected person and independent third party and corresponding cost analysis. Based on the documents obtained, we noted that (a) the selling price of such service was the same for both connected person and independent third party; and (b) the gross profit margin of such service was within the range as stipulated under the OMS Pricing Policy;
- (ii) randomly selected a prepaid package from the aforesaid list and obtained from the Company a set of relevant sales record of this prepaid package provided by the Group to connected person and independent third party. Based on the documents obtained, we noted that the selling price of such prepaid package was (a) the par value of the prepaid package; and (b) the same for both connected person and independent third party (i.e. comply with the Prepaid Packages Pricing Policy);
- (iii) randomly selected a date in FY2022 and obtained from the Company a sale record of the health mall of such randomly selected date. The sale record included information on all transactions of the health mall (with both connected persons and independent third parties) and corresponding cost analysis. Based on the above documents, we noted that (a) the selling prices of health mall products were the same for both connected person and independent third party; and (b) gross profit margins of health mall products were within the range as stipulated under the Health Mall Pricing Policy; and
- (iv) enquired with the Management and were advised that no provision of advertising and consulting service conducted for FY2022.

As the above sampling (containing three sets of samples in total) covers the latest full financial year of the Company and all applicable pricing policies for the Provision Transactions, we consider it is representative and sufficient for our analysis.

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## LETTER FROM GRAM CAPITAL

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### *Proposed annual caps*

Set out below are (i) historical amounts of the transactions under 2020 Provision of Products and Services Framework Agreement for the two years ended 31 December 2022 and the six months ended 30 June 2023 with existing annual caps; and (ii) proposed annual caps of the Provision Transactions for the three years ending 31 December 2026 (the “**Provision Cap(s)**”):

	<b>For the year ended 31 December 2021 RMB'000</b>	<b>For the year ended 31 December 2022 RMB'000</b>	<b>For the year ending 31 December 2023 (“FY2023”) RMB'000</b>
Historical amounts	2,957,000	2,149,400	610,900 ( <i>Note</i> )
Existing annual caps	5,000,000	6,400,000	8,700,000
Utilisation rate	59%	34%	Undetermined
	<b>For the year ending 31 December 2024 (“FY2024”) RMB'000</b>	<b>For the year ending 31 December 2025 (“FY2025”) RMB'000</b>	<b>For the year ending 31 December 2026 (“FY2026”) RMB'000</b>
Provision Caps	2,929,033	2,966,487	2,971,893

*Note: The figure was for 1H2023.*

With reference to the Board Letter, the Board determines the Provision Caps based on the reasons as set out in the sub-section headed “Basis of caps” under the section headed “1. 2023 Provision of Products and Services Framework Agreement” of the Board Letter.

Based on the above table, utilisation rates of existing annual caps for the two years ended 31 December 2022 were approximately 59% and 34% respectively. Upon our enquiry, the Management advised us that due to the Group’s business adjustment and reduction in businesses with weaker strategic relevance and lower profitability (the “**Business Adjustment**”), the historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022 significantly decreased by approximately 27% as compared to that for FY2021. Accordingly, the Provisions Caps for the three years ending 31 December 2026 are significantly reduced as compared to the Provision Cap for FY2023.

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## LETTER FROM GRAM CAPITAL

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To assess the fairness and reasonableness of the Provision Caps, we obtained the Provision Caps calculation from the Company. Based on the Provision Caps calculation, the Provision Caps for the three years ending 31 December 2026 were formulated by the sum of estimated Provision Transactions amount with each of the Parties to the 2023 Provision of Products and Services Framework Agreement.

### *The Provision Cap for FY2024*

We noted from the Provision Caps calculation that estimated Provision Transactions amount with six of the Parties to the 2023 Provision of Products and Services Framework Agreement represents over 90% of the total estimated Provision Transactions amount for FY2024 which is equivalent to the Provision Cap for FY2024 (remaining portion of Provision Cap is cater for estimated Provision Transactions amount with other Parties to the 2023 Provision of Products and Services Framework Agreement), with details below:

- (1) The historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement with Ping An Life Insurance Company of China, Ltd. decreased by approximately 62% from FY2021 to FY2022. As advised by the Management, such decrease was mainly due to the Group's business adjustment and reduction in businesses with weaker strategic relevance and lower profitability. Accordingly, the estimated Provision Transactions amount with Ping An Life Insurance Company of China, Ltd. for FY2024 is approximately 45% less than the historical amount for FY2021. Nevertheless, due to possible business development of Ping An Life Insurance Company of China, Ltd., the estimated Provision Transactions amount with Ping An Life Insurance Company of China, Ltd. for FY2024 is approximately 45% more than the historical amount for FY2022.
- (2) The estimated Provision Transaction amount with Ping An Health Insurance Company of China, Ltd. for FY2024 increased by approximately 5% as compared to the historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022. As advised by the Management, such increase is mainly due to expected further business cooperation between the Group and Ping An Health Insurance Company of China, Ltd.
- (3) The estimated Provision Transactions amount with Ping An Bank Co., Ltd. for FY2024 increased by approximately 47% as compared to the historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022. As advised by the Management, such increase is mainly due to (i) expected further business cooperation between the Group and Ping An Bank Co., Ltd.; and (ii) expected increased provision in medical health services to staff of Ping An Bank Co., Ltd. (according to the interim reports of Ping An Bank Co., Ltd. for 1H2023 and 1H2022, Ping An Bank Co., Ltd. and its subsidiaries had 44,077 staff as at 30 June 2023, represented increase of approximately 8.2% as compared to that as at 30 June 2022).



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## LETTER FROM GRAM CAPITAL

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- (4) The estimated Provision Transactions amount with Ping An Property & Casualty Insurance Company of China, Ltd. for FY2024 increased by approximately 38% as compared to the historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022. As advised by the Management, such increase is mainly due to business expansion of with Ping An Property & Casualty Insurance Company of China, Ltd.
- (5) The estimated Provision Transactions amount with Ping An Annuity Insurance Company of China, Ltd. for FY2024 increased by approximately 202% as compared to the historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022. As advised by the Management, such increase is mainly due to the Group's expanding medical network (according to the 2023 Interim Report and the Company's interim report for the six months ended 30 June 2022, the Group partnered with nearly 4,000 hospitals (as at 30 June 2022: over 3,000 hospitals) and 226,000 pharmacies (as at 30 June 2022: 208,000), providing 1-hour drug delivery services in 249 cities (as at 30 June 2022: over 150 cities) and 24/7 drug delivery services in 91 cities (as at 30 June 2022: 80 cities) in the PRC) which can further satisfy demand of Ping An Annuity Insurance Company of China, Ltd.
- (6) The historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement with Lufax Holding Ltd. decreased by approximately 53% from FY2021 to FY2022. As advised by the Management, such decrease was mainly due to the Group's reduction in businesses with weaker strategic relevance and lower profitability. Accordingly, the estimated Provision Transactions amount with Lufax Holding Ltd. for FY2024 is approximately 45% less than the historical amount for FY2021. Nevertheless, due to possible business development of Lufax Holding Ltd., the estimated Provision Transactions amount with Lufax Holding Ltd. for FY2024 is approximately 18% more than the historical amount for FY2022.

### *The Provision Caps for FY2025 and FY2026*

According to the table above, the Provision Caps for FY2025 and FY2026 are close to that for FY2024. As advised by the Management, they do not expect any material circumstance which may stimulate significant change in possible Provision Transactions amount for FY2025 and FY2026.

Having considered the above and that the Provisions Caps for the three years ending 31 December 2026 are significantly reduced as compared to the Provision Cap for FY2023 in light of (i) low annual cap utilisation rates for FY2021 and FY2022; and (ii) significantly decrease in historical amount of the transactions under 2020 Provision of Products and Services Framework Agreement for FY2022, we are of the view that the Provision Caps for the three years ending 31 December 2026 are fair and reasonable.

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## LETTER FROM GRAM CAPITAL

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Shareholders should note that as the Provision Caps are relating to future events and estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Provision Transactions. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Provision Transactions will correspond with the Provision Caps.

Having considered the above, including the principal terms of the Provision Transactions as contemplated under the 2023 Provision of Products and Services Framework Agreement and the Provision Caps, we are of the view that the terms of the Provision Transactions are fair and reasonable.

### **C. THE PURCHASE TRANSACTIONS**

#### **Reasons for and benefit of the Purchase Transactions**

With reference to the Board Letter, since its establishment, the Group has been purchasing a variety of services from the Service Providers to satisfy its business and operational needs. Owing to the strategic business relationship, the Service Providers acquired a comprehensive understanding of the Group's business and operational requirements and established a foundation for mutual trust. Taking into consideration the Group's previous purchasing experience with the Service Providers, the Group believes that the Service Providers are capable to fulfill the Group's demands efficiently and reliably with a stable and high-quality supply of services, and entering into the 2023 Services Purchasing Framework Agreement would minimize disruption to the Group's operation and internal procedures. In addition, it would be more cost-effective for the Group to outsource procedural and commoditized work to the Service Providers rather than maintaining its own headcounts for processing such work. The cooperation between the Group and the Service Providers will create online and offline synergies and facilitate business improvement and development for both parties. Therefore, the Board expects that the cooperation between the Group and the Service Providers will be continuously deepened and expanded in the future.

As confirmed by the Directors, the Purchase Transactions are conducted in the ordinary and usual course of business of the Group and support the Group's daily operation.

Having considered the above, we are of the view that the Purchase Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

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## LETTER FROM GRAM CAPITAL

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### **Principal terms of the Purchase Transactions**

Summarised below are the major terms of the Purchase Transactions, details of which are set out under the section headed “2. 2023 Services Purchasing Framework Agreement” of the Board Letter:

#### ***Date***

25 October 2023

#### ***Parties***

The Company and the Parties to the 2023 Services Purchasing Framework Agreement

#### ***Term***

Three years commencing from 1 January 2024

#### ***Subject matters***

The Service Providers shall provide a wide spectrum of services to the Group, including but not limited to consulting services, health management services, business promotion services, outsourcing services relating to finance, human resources and administrative matters, insurance services, online traffic re-directing services and customer referral services. The Group shall, in return, pay service fees to the Service Providers. The precise scope of the service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately.

#### ***Pricing policies***

Taking into consideration the estimated transaction amount, the services fees to be paid by the Group to the Service Providers under the 2023 Services Purchasing Framework Agreement will be determined (1) through bidding procedures according to the internal rules and procedures of the Group. The Group will compare the fees rates offered by other independent third parties as well as accessing its business needs and the relevant qualifications/experience of the bidders in providing such services before determining the service fee rate for the transactions under the 2023 Services Purchasing Framework Agreement; and (2) if no tendering and bidding process is required under the Group’s internal rules, through arm’s length negotiations between the parties based on the historical fees of such services, the nature of the services, the frequency for providing such services by the Service Providers and comparable market rates. The pricing terms under the 2023 Services Purchasing Framework Agreement will be no less favorable to the Company than terms of services available from independent third parties (if applicable), and the services fees are in line with market rates and are in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, 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 the Group than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms, the Company has adopted the internal control procedures as set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter. We consider that effective implementation of such internal control procedures will ensure fair pricing of the Purchase Transactions.

We enquired with the Management and were advised that no Purchase Transactions were conducted with bidding procedures for FY2022. For our due diligence purpose, we obtained a list of services under the Purchase Transactions for FY2022 (being the latest full financial year of the Company). We also randomly selected three services from the aforesaid list and obtained from the Company a set of relevant purchase record of each selected service purchased by the Group from connected person and independent third party. Based on the documents obtained, we noted that the purchase prices of such services were the same from both connected person and independent third party.

As the above sampling covers the latest full financial year of the Company and all applicable pricing policies for the Purchase Transactions, we consider it is representative and sufficient for our analysis.

### *Proposed annual caps*

Set out below are (i) historical amounts of the transactions under 2020 Services Purchasing Framework Agreement for the two years ended 31 December 2022 and for the six months ended 30 June 2023 with existing annual caps; and (ii) proposed annual caps of the Purchase Transactions for the three years ending 31 December 2026 (the “**Purchase Cap(s)**”):

	<b>For the year ended 31 December 2021 RMB'000</b>	<b>For the year ended 31 December 2022 RMB'000</b>	<b>For the year ending 31 December 2023 RMB'000</b>
Historical amounts	491,800	462,000	269,500 ( <i>Note</i> )
Existing annual caps	890,000	1,260,000	1,638,000
Utilisation rate	55%	37%	Undetermined
	<b>For the year ending 31 December 2024 RMB'000</b>	<b>For the year ending 31 December 2025 RMB'000</b>	<b>For the year ending 31 December 2026 RMB'000</b>
Purchase Caps	851,224	990,897	1,127,709

*Note: The figure was for 1H2023.*

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## LETTER FROM GRAM CAPITAL

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With reference to the Board Letter, the Board determines the Purchase Caps based on the reasons as set out in the sub-section headed “Basis of caps” under the section headed “2. 2023 Services Purchasing Framework Agreement” of the Board Letter.

Based on the above table, utilisation rates of existing annual caps for the two years ended 31 December 2022 were approximately 55% and 37% respectively. The historical amount of the transactions under 2020 Services Purchasing Framework Agreement for FY2022 decreased by approximately 6% as compared to that for FY2021. With reference to the Board Letter, due to the adjustments of the business with low strategic synergies (i.e. the Business Adjustment), the Group’s relevant procurement demands from the Service Providers decreased, resulting in the aforesaid low utilisation rates of existing annual caps for the two years ended 31 December 2022. After taking into consideration of the above circumstances, the Purchase Caps for the three years ending 31 December 2026 are significantly reduced as compared to the existing annual cap for FY2023.

To assess the fairness and reasonableness of the Purchase Caps, we obtained the Purchase Caps calculation from the Company. Based on the Purchase Caps calculation, the Purchase Caps for the three years ending 31 December 2026 were formulated by the sum of estimated Purchase Transactions amount with each of the Parties to the 2023 Services Purchasing Framework Agreement.

### *The Purchase Cap for FY2024*

We noted from the Purchase Caps calculation that estimated Purchase Transactions amount with eight of the Parties to the 2023 Services Purchasing Framework Agreement represents approximately 90% of the total estimated Purchase Transactions amount for FY2024 which is equivalent to the Purchase Cap for FY2024 (remaining portion of Purchase Cap is cater for estimated Purchase Transactions amount with other Parties to the 2023 Services Purchasing Framework Agreement), with details below:

- (1) The historical amount of the transactions under 2020 Services Purchasing Framework Agreement with Ping An Health Insurance Company of China, Ltd. increased by approximately 14 times from FY2021 to FY2022. The historical amount with Ping An Health Insurance Company of China, Ltd. for 1H2023 was approximately 1.37 times of the amount for FY2022 and the Company estimated that the Purchase Transactions amount with Ping An Health Insurance Company of China, Ltd. for FY2023 will be increased by approximately 2.37 times as compared to the amount for FY2022. As advised by the Management, the aforesaid increases (i) were mainly due to the fact that Ping An Health Insurance Company of China, Ltd. became a major supplier for provision of certain health management services; and (ii) will become stable for the three years ending 31 December 2026. Accordingly, the Company estimated the Purchase Transactions amount with Ping An Health Insurance Company of China, Ltd. to increase by 5% from FY2023 to FY2024.

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## LETTER FROM GRAM CAPITAL

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- (2) The estimated Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. for FY2023 represents increase of approximately 45% as compared to the historical amount for FY2022. The estimated Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. for FY2024 represents increase of 30% as compared to that for FY2023. As advised by the Management, such increases was mainly due to (i) the Group’s increased demand for certain health management services from Ping An Haoyi Investment Management Co., Ltd. as the Group provides more “Health Checkup +” services (according to the 2023 Interim Report, during 1H2023, “Health Checkup +” cumulatively served 722 corporate clients, representing an accumulated year-on-year increase of 67.9%); and (ii) Ping An Haoyi Investment Management Co., Ltd. is expect to gradually become a major supplier of the aforesaid health management services. The historical Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. increased by (i) approximately 588% from FY2021 to FY2022; and (ii) approximately 95% from 1H2022 to 1H2023. The aforesaid increases in the estimated Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. for FY2023 and FY2024 are feasible as compared to the historical increases as set out above.
- (3) The estimated Purchase Transactions amount with Ping An E-wallet Electronic Commerce Co., Ltd. for FY2024 represents increase of approximately 240% as compared to the historical amount with Ping An E-wallet Electronic Commerce Co., Ltd. for FY2022. As advised by the Management, Ping An E-wallet Electronic Commerce Co., Ltd. mainly provides to the Group services relating to payment and settlement platform. The aforesaid increase is mainly due to (i) expected increase in estimated payment of incentives for sales personnel; and (ii) expected increase in payment of platform services fee alongside with the Group’s business growth.
- (4) The estimated Purchase Transactions amount with Ping An Property & Casualty Insurance Company of China, Ltd. for FY2024 represents increase of approximately 282% as compared to the historical amount for FY2022. As advised by the Management, such increase is mainly due to expected increase in liability insurance purchase by the Group.
- (5) The estimated Purchase Transactions amount with Ping An Technology (Shenzhen) Co., Ltd. for FY2024 represents increase of approximately 18% as compared to the historical amount for FY2022. As advised by the Management, such increase is mainly due to expected increase in the Group’s demand for technological services (such as systems operation and maintenance) alongside with the Group’s business development.
- (6) The estimated Purchase Transactions amount with Shenzhen Ping An Financial Services Co., Ltd. for FY2024 remains relatively stable as compared to the historical amount for FY2022.

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## LETTER FROM GRAM CAPITAL

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- (7) The estimated Purchase Transactions amount of Ping An Medical and Healthcare Management Co., Ltd. represented approximately 2.4% of total estimated Purchase Transactions amount for FY2024. Such amount mainly includes the purchase of offline medical escort services, offline consultation services and offline medical assistance.

The estimated Purchase Transactions amount with Ping An Medical and Healthcare Management Co., Ltd. for FY2024 represents increase of approximately 20% as compared to the historical amount for FY2022. As advised by the Management, such increase was mainly due to the fact that Ping An Medical and Healthcare Management Co., Ltd. became a major supplier of certain offline services.

- (8) The estimated Purchase Transactions amount with Ping An Annuity Insurance Company of China, Ltd. for FY2024 remains relatively stable as compared to the historical amount for FY2022.

### *Purchase Caps for FY2025 and FY2026*

According to the table above, the Purchase Cap increased by approximately 16% from FY2024 to FY2025 and approximately 14% from FY2025 to FY2026. As advised by the Management, such increases are to cater for expected continual growth in the Group's operational scale and diversification of services offered by Service Providers.

As aforementioned, the Purchase Caps for the three years ending 31 December 2026 are significantly reduced as compared to the existing annual cap for FY2023 due to low utilisation rates of existing annual caps for the two years ended 31 December 2022 caused by the Business Adjustment. With reference to the 2023 Interim Report, the Business Adjustment was basically completed. According to the Board Letter, with the gradual optimization of Ping An Group's healthcare ecosystem, more medical and health-related services with higher quality can be provided by the Service Providers, the scope and size of cooperation between the Group and Service Providers may expand accordingly. Based on the Purchase Caps calculation, the aforesaid increases in Purchase Caps from FY2024 to FY2026 were mainly contributed by (approximately 85% and 87% of the increases) four of the Parties to the 2023 Services Purchasing Framework Agreement, with details below:

- (i) The estimated Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. (a) for FY2025 represents increase of 30% as compared to that for FY2024; and (b) for FY2026 represents increase of 30% as compared to that for FY2025. As aforementioned, Ping An Haoyi Investment Management Co., Ltd. is expected to gradually become a major supplier of certain health management services. The Group's demand for such health management services is expected to increase alongside with its business growth. As the historical Purchase Transactions amount with Ping An Haoyi Investment Management Co., Ltd. increased by (a) approximately 588% from FY2021 to FY2022; and (b) approximately 95% from 1H2022 to 1H2023, the aforesaid increases from FY2024 to FY2026 are feasible.



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## LETTER FROM GRAM CAPITAL

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- (ii) Alongside with the Group's business growth, the Management expected Ping An E-wallet Electronic Commerce Co., Ltd. to provide more services to the Group relating to the Group's co-operation with pharmacies connected with the Group's payment and settlement platform. With reference to the 2023 Interim Report, the Group partnered with approximately 226,000 pharmacies as at 30 June 2023. As advised by the Management, (a) certain pharmacies began to connected with the Group's payment and settlement platform since second half of 2022; (b) 622, 668 and 717 pharmacies as at 31 December 2022, 30 June 2023 and 31 October 2023 respectively were connected with the Group's payment and settlement platform; and (c) business volume with the aforesaid pharmacies for the ten months ended 31 October 2023 represented approximately 3.6 times of that for FY2022. Based on the Purchase Caps calculation, the estimated Purchase Transactions amount relating to the Group's co-operation with pharmacies connected with the Group's payment and settlement platform (i) for FY2023 is approximately 3.7 times of historical amount for FY2022; and (ii) will increase by approximately 60% for FY2024, approximately 28% for FY2025 and approximately 10% for FY2026. Such increases are feasible in light of the aforesaid business development of the Group.
- (iii) The Management's expected continuous increase in liability insurance purchased by the Group from Ping An Property & Casualty Insurance Company of China, Ltd. as a result of improved synergy. Based on the Purchase Caps calculation, (i) the historical Purchase Transactions amount with Ping An Property & Casualty Insurance Company of China, Ltd. for 1H2023 was approximately 1.24 times of that for FY2022; and (ii) the estimated Purchase Transactions amount with Ping An Property & Casualty Insurance Company of China, Ltd. for FY2023 represents increase of approximately 162% as compared to the historical amount for FY2022, and will increase by approximately 46% for FY2024, approximately 16% for FY2025 and approximately 14% for FY2026. Such increases are feasible in light of the historical amounts.
- (iv) The Management's expected continuous increase in the Group's demand for technological services (such as systems operation and maintenance) from Ping An Technology (Shenzhen) Co., Ltd. alongside with the Group's business development. Based on the Purchase Caps calculation, the estimated Purchase Transactions amount with Ping An Technology (Shenzhen) Co., Ltd. will moderately increase by approximately 15% for each of FY2025 and FY2026.

Having considered the above, we are of the view that the Purchase Caps for the three years ending 31 December 2026 are fair and reasonable.



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## LETTER FROM GRAM CAPITAL

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Shareholders should note that as the Purchase Caps are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of cost/expense to be incurred from the Purchase Transactions. Consequently, we express no opinion as to how closely the actual cost/expense to be incurred from the Purchase Transactions will correspond with the Purchase Caps.

Having considered the above, including the principal terms of the Purchase Transactions contemplated under the 2023 Services Purchasing Framework Agreement and the Purchase Caps, we are of the view that the terms of the Purchase Transactions are fair and reasonable.

### **D. THE FINANCIAL TRANSACTIONS**

#### **Reasons for and benefit of the Financial Transactions**

With reference to the Board Letter, as the Deposit Service Provider has been providing deposit service and the Wealth Management Service Providers has been providing wealth management service to the Group, they developed a deep understanding of the Group's capital structure, business operations, funding needs and cash flow patterns, which facilitates the provision of expedient and efficient services. The Deposit Service Provider and the Wealth Management Service Providers are well-positioned to provide the Group with customized financial services.

Pursuant to the 2023 Financial Service Cooperation Framework Agreement:

- (i) Interest rates for the deposits placed by the Group with the Deposit Service Provider will refer to: (i) the interest rate published by the PBOC for deposits of a similar type for the same period, (ii) the interest rate for deposits of a similar type for the same period placed by independent third parties, or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries. Such interest rates are in line with market rates and are in the best interests of the Company and its Shareholders as a whole.
- (ii) The investment income to be received by the Group from the purchase of wealth management products from the Wealth Management Service Providers will be: (i) subject to the benchmark fee (if applicable) for similar types of wealth management products published by PBOC or the National Administration of Financial Regulation from time to time, (ii) comparable to, or no less favorable to the Group than the average investment income rates (if applicable) offered by independent commercial banks or financial institutions for similar types of wealth management products, and (iii) based on the investment income rates for the wealth management products offered by Wealth Management Service Providers, which will apply to all purchasers of such wealth management products, including the Group and any independent third party.

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## LETTER FROM GRAM CAPITAL

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Having considered the above, we consider that the Financial Transactions are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole.

### **Principal terms of the Financial Transactions**

Summarised below are the major terms of the Financial Transactions, details of which are set out under the section headed “3. 2023 Financial Service Cooperation Framework Agreement” of the Board Letter:

#### *Date*

25 October 2023

#### *Parties*

The Company and the Parties to the 2023 Financial Service Cooperation Framework Agreement

#### *Term*

Three years commencing from 1 January 2024

#### *Subject matters*

The Deposit Service Provider shall provide deposit service (the “**Deposit Service**”) to the Group, and Wealth Management Service Providers shall provide wealth management service (including structural deposit products) to the Group (the “**Wealth Management Service**”). With respect to the deposit service provided, the Group deposits cash into the bank accounts of the Group at the Deposit Service Provider, including cash generated from the Group’s daily business operations, the proceeds generated from the financing activities of the Group and the net proceeds received from the global offering of the Company, provided that the Deposit Service Provider is qualified to take deposits. In return, the Deposit Service Provider shall pay deposit interest to the Group. In respect of the wealth management service, the Group purchases investment products and service from Wealth Management Service Providers and receive investment income in return.

#### *Pricing policies*

##### *Deposit service*

Interest rates for the deposits placed by the Group with the Deposit Service Provider will refer to: (i) the interest rate published by the PBOC for deposits of a similar type for the same period, (ii) the interest rate for deposits of a similar type for the same period placed by

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## LETTER FROM GRAM CAPITAL

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independent third parties, or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries. Such interest rates are in line with market rates and are in the best interests of the Company and its Shareholders as a whole.

### *Wealth management service*

The investment income to be received by the Group from the purchase of wealth management products from the Wealth Management Service Providers will be: (i) subject to the benchmark fee for similar types of wealth management products published by PBOC or the National Administration of Financial Regulation (if applicable) from time to time, (ii) comparable to, or no less favorable than the average investment income rates (if applicable) offered by independent commercial banks or financial institutions to the Group for similar types of wealth management products, and (iii) based on the investment income rates for the wealth management products offered by the Wealth Management Service Providers, which will apply to all purchasers of such wealth management products, including the Group and any independent third party.

With reference to the Board Letter, 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 the Group than terms available to or from independent third parties, and the connected transactions are carried out under normal commercial terms, the Company has adopted the internal control procedures as set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter. We consider that effective implementation of such internal control procedures will ensure fair rates determination of the Financial Transactions.

For our due diligence purpose, we obtained an exhaustive list of the Group’s deposits under Deposit Service for FY2022 (the “**2022 Deposit List**”) from the Company and randomly selected three deposits from the list and obtained the Company’s corresponding interest rates comparison records. Based on the aforesaid documents, we noted that the interest rates of the selected deposits were not less than market rates.

For our due diligence purpose, we obtained an exhaustive list of the Group’s wealth management products under the Wealth Management Service for FY2022 (the “**2022 Wealth Management List**”) from the Company and randomly selected three wealth management products from the list and obtained the Company’s corresponding return rates comparison records. Based on the aforesaid documents, we noted that the return rates of the selected wealth management products were not less than market rates.

As the above sampling covers the latest full financial year of the Company, we consider it is representative and sufficient for our analysis.

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**LETTER FROM GRAM CAPITAL**

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***Proposed annual caps***

Set out below are (i) historical amounts of the transactions under 2020 Financial Service Framework Agreement for the two years ended 31 December 2022 and the six months ended 30 June 2023 with existing annual caps; and (ii) proposed annual caps of the Financial Transactions for the three years ending 31 December 2026 (the “**Financial Cap(s)**”):

	<b>For the year ended 31 December 2021 <i>RMB'000</i></b>	<b>For the year ended 31 December 2022 <i>RMB'000</i></b>	<b>For the year ending 31 December 2023 <i>RMB'000</i></b>
<b>Historical amounts</b>			
<b>Deposit Service</b>			
Actual maximum daily balance of deposits placed by the Group with the Deposit Service Provider	7,926,400	5,248,800	5,744,600 <i>(Note)</i>
Existing annual caps for maximum daily balance of deposits	10,000,000	10,000,000	10,000,000
Utilisation rate (%)	79	52	Undetermined
Actual interest income received by the Group from the Deposit Service Provider	33,600	42,200	26,000 <i>(Note)</i>
Existing annual caps for interest income to be received	320,000	320,000	320,000
Utilisation rate (%)	10	13	Undetermined
<b>Wealth Management Service</b>			
Actual maximum daily balance of the wealth management products purchased by the Group from the Wealth Management Service Providers	5,132,700	5,869,000	5,104,000 <i>(Note)</i>

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	<b>For the year ended 31 December 2021 <i>RMB'000</i></b>	<b>For the year ended 31 December 2022 <i>RMB'000</i></b>	<b>For the year ending 31 December 2023 <i>RMB'000</i></b>
<b>Historical amounts</b>			
Existing annual caps for maximum daily balance of the wealth management products to be purchased	10,000,000	10,000,000	10,000,000
Utilisation rate (%)	51	59	Undetermined
Actual investment income received by the Group from the Wealth Management Service Providers			
	193,100	209,700	75,700 <i>(Note)</i>
Existing annual caps for investment income to be received	450,000	450,000	450,000
Utilisation rate (%)	43	47	Undetermined
	<b>For the year ending 31 December 2024 <i>RMB'000</i></b>	<b>For the year ending 31 December 2025 <i>RMB'000</i></b>	<b>For the year ending 31 December 2026 <i>RMB'000</i></b>
<b>The Financial Caps</b>			
<b>Deposit Service</b>			
Maximum daily balance of the principal of deposits to be placed by the Group with the Deposit Service Provider (the “ <b>Deposit Cap(s)</b> ”)	10,000,000	10,000,000	10,000,000
Deposit interest income to be received by the Group from the Deposit Service Provider (the “ <b>Interest Cap(s)</b> ”)	320,000	320,000	320,000

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	<b>For the year ending 31 December 2024 RMB'000</b>	<b>For the year ending 31 December 2025 RMB'000</b>	<b>For the year ending 31 December 2026 RMB'000</b>
<b>The Financial Caps</b>			
<b>Wealth Management Service</b>			
Maximum daily balance of all investment products and service purchased by the Group from the Wealth Management Service Providers (the “Wealth Cap(s)”)	10,000,000	10,000,000	10,000,000
Investment income to be received by the Group from the Wealth Management Service Providers (the “Investment Income Cap(s)”)	422,000	422,000	422,000

*Note: The figure was for 1H2023.*

The basis for determining the Financial Caps for the three years ending 31 December 2026 are set out in the sub-section headed “Proposed Annual Caps” under the section headed “3. 2023 Financial Service Cooperation Framework Agreement” of the Board Letter.

According to the table above, we noted that (i) the relevant utilisation rates of the annual cap in respect of maximum daily balance of deposits placed by the Group with the Deposit Service Provider were approximately 79% for FY2021 and 52% for FY2022; and (ii) the relevant utilisation rates of the annual cap in respect of maximum daily balance of the wealth management products purchased by the Group from the Wealth Management Service Providers were approximately 51% for FY2021 and 59% for FY2022.

*Deposit Caps and Wealth Caps*

With reference to the Board Letter, in determining the Deposit Caps and the Wealth Caps, the Company mainly considered the estimated changes in the Group’s total available funds and net cash to be used in operating activities in near future. With the nearly completion of adjustments of the Group’s business with low strategic synergies, continuous growth of strategic business revenue with high profitability, continuous optimization of resources allocation and gradual improvement of digital operation efficiency, the Company’s net loss has been significantly narrowed, resulting in the net cash used in operating activities reduced.

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Taking into account the continuous deepening of the Group's strategy, it is expected that the scale of funds will gradually increase in the future. Besides, considering that the utilization rate of the annual cap in respect of maximum daily balance of deposits placed by the Group with the Deposit Service Provider were approximately 79% for FY2021 and the future capital allocation plan of the Group, it is estimated that the Deposit Caps and the Wealth Caps will remain at RMB10 billion per annum.

According to the 2022 Annual Report, the Group had total available funds (the “**Total Available Funds**”) of approximately RMB12.48 billion as at 31 December 2022, including (i) cash and cash equivalents of approximately RMB3.70 billion; (ii) term deposits of approximately RMB3.10 billion; and (iii) financial assets of approximately RMB5.60 billion; and (iv) restricted cash of approximately RMB75 million.

According to the 2023 Interim Report, the Group had Total Available Funds of approximately RMB12.52 billion as at 30 June 2023, including (i) cash and cash equivalents of approximately RMB4.60 billion; (ii) term deposits of approximately RMB4.57 billion; (iii) financial assets of approximately RMB3.28 billion; and (iv) restricted cash of approximately RMB75 million.

As advised by the Management, the Group may place its Total Available Funds for deposits and/or investment. Accordingly, despite the historical utilisation rates of annual caps as set out above, the Deposits Caps and the Wealth Management Caps for the three years ending 31 December 2026 remain as RMB10 billion per annum to provide flexibility to the Group.

In addition, we noticed from the 2022 Annual Report and 2023 Interim Report that the Group's net cash used in operating activities decreased from (i) approximately RMB1,403 million for FY2021 to approximately RMB811 million for FY2022; and (ii) approximately RMB89 million for 1H2022 to approximately RMB67 million for 1H2023. The above indicated improvement trend of the Group's cash position.

Having considered the above and that (i) the Total Available Funds as at 31 December 2022 and 30 June 2023 exceed the Deposits Caps and the Wealth Management Caps for the three years ending 31 December 2026; and (ii) the utilization rate of the annual cap in respect of maximum daily balance of deposits placed by the Group with the Deposit Service Provider were approximately 79% for FY2021, we are of the view that the Deposits Caps and the Wealth Management Caps for the three years ending 31 December 2026 are fair and reasonable.

### *Interest Caps*

The Interest Caps for the three years ending 31 December 2026 implied a deposit interest rate of 3.2% per annum (i.e. Deposit Cap of RMB10,000 million times 3.2% equals to the Interest Cap of RMB320 million). We noted from the 2022 Deposit List that the deposit interest rates of the Deposit Service for FY2022 ranged from 1.15% to 4.22%. The aforesaid implied

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deposit interest rate of 3.2% per annum falls within such range. We consider that comparison of the deposit interest rates of the Deposit Service for the Company's latest full financial year (i.e. FY2022) is sufficient for the Interest Caps analysis. Accordingly, we consider the Interest Caps for the three years ending 31 December 2026 to be fair and reasonable.

### *Investment Income Caps*

The Investment Income Caps for the three years ending 31 December 2026 implied an investment return rate of 4.22% per annum (i.e. Wealth Cap of RMB10,000 million times 4.22% equals to the Investment Income Cap of RMB422 million). We noted from the 2022 Wealth Management List that the investment return rates of the Wealth Management Service for FY2022 ranged from 1.65% to 5.95%. The aforesaid implied investment return rate of 4.22% per annum falls within such range. We consider that comparison of the investment return rates of the Wealth Management Service for the Company's latest full financial year (i.e. FY2022) is sufficient for the Investment Income Caps analysis. Accordingly, we consider the Investment Income Caps for the three years ending 31 December 2026 to be fair and reasonable.

Shareholders should note that as the Financial Caps are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of deposit to be placed or investment to be made under the Financial Transactions. Consequently, we express no opinion as to how closely the actual deposit to be placed or investment to be made under the Financial Transactions will correspond with the Financial Caps.

Having considered the above, including the principal terms of the Financial Transactions contemplated under the 2023 Financial Services Cooperation Framework Agreement and the Financial Caps, we are of the view that the terms of the Financial Transactions are fair and reasonable.

### **E. LISTING RULES IMPLICATIONS**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective proposed annual caps for the period concerned under the relevant framework agreements; (ii) the terms of the Transactions (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement



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governing the transactions; and (iv) have exceeded their respective proposed annual caps. In the event that the total amounts of the Transactions are anticipated to exceed their respective proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including the annual caps for the three years ending 31 December 2026) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favor of the resolutions in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

\* *For identification purpose only*

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the years ended 31 December 2020, 2021 and 2022 are disclosed in the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022, respectively. And the unaudited financial statements, together with the accompanying notes to the financial statements, of the Group for the six months ended 30 June 2023 are disclosed in the interim report of the Company for the six months ended 30 June 2023. All of the above financial statements have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and can be accessed by the direct hyperlinks below:

- (1) The unaudited financial statements of the Group for the six months ended 30 June 2023 are set out on pages 28 to 68 in the interim report of the Company for the six months ended 30 June 2023 :

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0904/2023090400057.pdf>

- (2) The audited financial statements of the Group for the year ended 31 December 2022 are set out on pages 137 to 225 in the annual report of the Company for the year ended 31 December 2022;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0322/2023032200425.pdf>

- (3) The audited financial statements of the Group for the year ended 31 December 2021 are set out on pages 119 to 198 in the annual report of the Company for the year ended 31 December 2021;

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0324/2022032400836.pdf>

- (4) The audited financial statements of the Group for the year ended 31 December 2020 are set out on pages 131 to 211 in the annual report of the Company for the year ended 31 December 2020.

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0317/2021031700649.pdf>

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

**(1) Borrowings**

At the close of business on 30 September 2023, the Group did not have any bank loans, debt securities or any other borrowings from financial institutions, the details of the Group's borrowings from a related party were as follows:

	<b>30 September 2023 RMB '000</b>
Borrowings from a related party – unsecured and unguaranteed	10,813

At the close of business on 30 September 2023, the Group's borrowings from a related party will be repaid in 2026.

**(2) Lease liabilities**

As at 30 September 2023, the Group had current and non-current lease liabilities which amounted to approximately RMB57.44 million and RMB58.88 million respectively.

**(3) Provisions and contingent liabilities**

At the close of business on 30 September 2023, the Group was the defendant in certain outstanding litigations. After assessing the status of those outstanding litigations and disputes as well as considering the legal opinions from internal and external legal counsels, the Group considered contingent liabilities of RMB74.62 million and had recognized provisions amount to approximately RMB95 million. The Group recognized the corresponding provisions based on the estimated losses arising from those outstanding litigations and disputes.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, pledge of assets, mortgages, charges, guarantees, commitment, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 September 2023.

**3. WORKING CAPITAL**

After taking into account the available resources including cashflow from operating activities and internally generated funds, cash and cash equivalents and other borrowings, the Directors are of the opinion that the Group has sufficient working capital for at least 12 months from the date of this circular in the absence of unforeseen circumstances. The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

#### 4. MATERIAL ADVERSE CHANGE

The Directors confirm there had been no material adverse change in the financial or trading position of the Group from 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up) to the Latest Practicable Date.

#### 5. FINANCIAL AND TRADING PROSPECTS

With the increasing development of business insurance and health management of corporate staff, the Company will continue to utilise the ability advantages of Ping An Group in managed care business model and healthcare ecosystem, give full play to the resource advantages of Ping An Group in integrated financial channels and corporate clients, deeply explore Ping An Group's enormous customer base in business insurance, corporate and individual, strengthen collaborations with Ping An Group and empower mutually, to further consolidate the Company's core competitiveness, constantly increase customer engagement and improve the value of customers.

Meanwhile, utilising its first-mover advantage in the field of internet healthcare, the in-depth insights and understanding of end users' healthcare demand, the Group will constantly update and improve healthcare product matrix, iterate and upgrade "insurance + healthcare", "finance + healthcare" and other forms of product in integrated financial channels, and improve and update core products in corporate health management at corporate client side, create membership product system, and further provide customised products based on different channels and customer bases to satisfy diversified demands of payers.

In addition, the Company will further leverage the role of family doctors in end-to-end service and proactive management, continue to expand the quality service network, provide users with professional, comprehensive, quality and one-stop healthcare services of "worry-free, time-saving, and money-saving", and constantly improve the experience of users.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, so far as known to the Directors, the Directors and chief executive of the Company had the following interests and short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange:

Name of Director	Nature of interest	Number of Shares	Long positions/short positions	Approximate percentage of shareholding <sup>(1)</sup>
WU Jun <sup>(2)</sup>	Beneficial owner	328,345	Long positions	0.03%

*Notes:*

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Mr. WU Jun was entitled to 328,345 Shares pursuant to the Employee Incentive Scheme, the details of which are set out as below pursuant to the rule 17.07(1)(b) of the Listing Rules:

Date of grant	Outstanding as at 30 June 2023 (Shares)	Outstanding as at the Latest Practicable Date (Shares)	Vesting period*	Exercise price (HKD/share)
26 October 2021	236,431	228,345	26 October 2022 to 26 October 2025	0
23 October 2022	100,000	100,000	23 October 2023 to 23 October 2026	0

- \* The EIS options may be exercised once vested, subject to a period of 10 years commencing from the date of grant.

Save as disclosed above, as at the Latest Practicable Date, so far as known to the Directors, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as known to the Directors and chief executive of the Company, the following persons other than a Director or chief executive of the Company had an interest or short position in the Shares and underlying shares of the Company, (a) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, (b) who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group or had any options in respect of such securities.

#### Long positions/short positions in the Shares

Name of Shareholder	Nature of interest	Number of Shares held	Long position/short position	Approximate percentage of shareholding <sup>(1)</sup>
Glorious Peace Limited <sup>(2)</sup>	Beneficial owner	441,000,000	Long position	39.41%
An Ke Technology Company Limited <sup>(2)</sup>	Interest in controlled corporations	441,000,000	Long position	39.41%
Ping An <sup>(2)</sup>	Interest in controlled corporations	441,000,000	Long position	39.41%
Hopson Development Holdings Limited <sup>(3)</sup>	Interest in controlled corporations	101,708,800	Long position	9.09%
Sounda Properties Limited <sup>(3)</sup>	Interest in controlled corporations	101,708,800	Long position	9.37%
	Beneficial owner	3,084,700	Long position	
CHU Mang Yee <sup>(3)</sup>	Interest in controlled corporations	104,793,500	Long position	9.37%

*Notes:*

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, Glorious Peace Limited (“**Glorious Peace**”) held a total of 441,000,000 Shares directly. Glorious Peace was directly wholly owned by An Ke Technology Company Limited (“**An Ke**”), which in turn was directly wholly owned by Ping An. As such, each of Ping An and An Ke was deemed to be interested in the Shares held by Glorious Peace.
- (3) According to the form of disclosure of interest dated 30 June 2022 filed by Hopson Development Holdings Limited (“**Hopson Development**”) in relation to the relevant event on 28 June 2022, Hopson Development, through a series of corporations controlled by it, was interested in an aggregate of 101,708,800 Shares. According to the form of disclosure of interest filed by Sounda Properties Limited (“**Sounda**”) dated 30 June 2022 in relation to the relevant event on 28 June 2022, Sounda was interested in 104,793,500 Shares, comprising 101,708,800 Shares indirectly held by Hopson Development which was controlled by Sounda, and 3,084,700 Shares directly held by Sounda. According to the form of disclosure of interest filed by Mr. CHU Mang Yee dated 30 June 2022 in relation to the relevant event on 28 June 2022, Sounda was wholly-owned by Mr. CHU Mang Yee. As such, Mr. CHU Mang Yee was deemed to be interested in the interest held by Sounda.

According to Section 336 of the SFO, Shareholders are required to file disclosure of interests forms when certain criteria are fulfilled. When the shareholdings of the Shareholders in the Company change, it is not necessary for the Shareholders to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders in the Company may be different from the shareholdings filed with the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, so far as known to the Directors, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, the following Directors were in the employment of those companies which had interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Positions held in substantial shareholders</b>
Ms. Tan Sin Yin	executive director, co-chief executive officer and executive vice president of Ping An
Ms. Fu Xin	senior vice president and director of the group's strategic development center of Ping An

**5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring nor terminable by the Group within a year without payment of any compensation other than statutory compensation.

**6. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or any of their respective close associates had interest in any business that competes or may compete with the business of the Group.

**7. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACT OR ARRANGEMENT OF SIGNIFICANCE**

As at the Latest Practicable Date, none of the Directors:

- (a) had any interest, directly or indirectly, in any assets which had been, since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group; or
- (b) was materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.



**8. LITIGATION**

As at the Latest Practicable Date, the Group had been involved in a pending litigation case and dispute against which it was sued concerning an estimated liability of approximately RMB95 million. Apart from the above cases, the Group has not been engaged in material litigation pending or threatened. The aforesaid case concerning the estimated liability was still in the process of trial. The Group considers that the disclosure of the details of the case will have an uncertain impact on the pending case, so the details of the case have not been disclosed temporarily.

As at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

**9. MATERIAL CONTRACTS**

The following material contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by members of the Group after the date falling two years immediately preceding the date of this circular up to and including the Latest Practicable Date:

On 23 October 2022, Good Doctor Online Healthcare Limited and Ping An Health Cloud Company Limited, both are wholly-owned subsidiaries of the Company, entered into the equity transfer agreements, respectively. Pursuant to the agreements signed, Good Doctor Online Healthcare Limited acquired 100% equity interest of Scientia Smart Health Technologies Limited from Scientia Smart Technologies Limited, at the consideration of USD96.8646 million; Ping An Health Cloud Company Limited acquired 100% equity interest of Ping An Yingxiang (Jiaying) Software Company Limited from Ping An International Smart City Technology Co., Ltd. at the consideration of RMB8.0827 million. Details of the equity transfer agreements are set out in the announcement of the Company dated 23 October 2022 and 6 January 2023.

Save as disclosed above, the Company or any of its other subsidiaries had not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular.

**10. EXPERT'S QUALIFICATION AND CONSENT**

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of Gram Capital who has given its opinions or advices which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

**11. EXPERT'S INTERESTS**

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group since 31 December 2022, being the date to which the latest audited financial statements of the Group were made up, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, and was not beneficially interested in the shares of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**12. GENERAL**

- (1) The company secretary of the Company is Mr. Liu Cheng, who is a fellow member of both the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom.
- (2) The registered office of the Company is the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (3) The Headquarters and principal place of business in the PRC is 5-9/F, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC.
- (4) The principal place of business in Hong Kong is 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.
- (5) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

**13. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on display online on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website ([www.pagd.net](http://www.pagd.net)) for a period of 14 days from the date of this circular:

- (1) a copy of the 2023 Provision of Products and Services Framework Agreement, the 2023 Services Purchasing Framework Agreement, and the 2023 Financial Service Cooperation Framework Agreement;
- (2) this circular;
- (3) the expert consent letter issued by Gram Capital;
- (4) letter from the Independent Board Committee; and
- (5) letter from Gram Capital.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

### 平安健康醫療科技有限公司

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

**(Stock Code: 1833)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of Ping An Healthcare and Technology Company Limited (the “**Company**”) will be held at Academic Lecture Hall, 4th Floor, Ping An Good Health Shanghai Testing Center, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC, at 10:00 a.m. on Friday, 15 December 2023 for the following purposes. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company 24 November 2023 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

1. “**That** the 2023 Provision of Products and Services Framework Agreement, the transactions contemplated thereunder, and the proposed annual caps for the three years ending 31 December 2026, details of which are more particularly described in the Circular, be and are hereby approved, ratified and confirmed; and **That** any one executive Director be and is hereby authorized for and on behalf of the Company to execute, and where required, to affix the common seal of the Company to, any documents, instruments or agreements, and to do any acts and things deemed by him or her to be necessary, expedient or appropriate in order to give effect to and implement the transactions contemplated under the 2023 Provision of Products and Services Framework Agreement (including the proposed annual caps thereunder for the three years ending 31 December 2026).”
2. “**That** the 2023 Services Purchasing Framework Agreement, the transactions contemplated thereunder, and the proposed annual caps for the three years ending 31 December 2026, details of which are more particularly described in the Circular, be and are hereby approved, ratified and confirmed; and **That** any one executive Director be and is hereby authorized for and on behalf of the Company to execute, and where required, to affix the common seal of the Company to, any documents, instruments or agreements, and to do any acts and things deemed by him or her to be necessary, expedient or appropriate in order to give effect to and implement the transactions contemplated under the 2023 Services Purchasing Framework Agreement (including the proposed annual caps thereunder for the three years ending 31 December 2026).”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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3. “**That** the 2023 Financial Service Cooperation Framework Agreement, the transactions contemplated thereunder, and the proposed annual caps for the three years ending 31 December 2026, details of which are more particularly described in the Circular, be and are hereby approved, ratified and confirmed; and **That** any one executive Director be and is hereby authorized for and on behalf of the Company to execute, and where required, to affix the common seal of the Company to, any documents, instruments or agreements, and to do any acts and things deemed by him or her to be necessary, expedient or appropriate in order to give effect to and implement the transactions contemplated under the 2023 Financial Service Cooperation Framework Agreement (including the proposed annual caps thereunder for the three years ending 31 December 2026).”

By order of the Board  
**PING AN HEALTHCARE AND  
TECHNOLOGY COMPANY LIMITED**  
**Li Dou**  
*Chairman*

Shanghai, the PRC

24 November 2023

*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her/it. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Return of the form of proxy will not preclude any member of the Company from attending and voting at the EGM if such member so wishes, and in such event, the form of proxy will be deemed to be revoked.
3. The register of members of the Company will be closed from Tuesday, 12 December 2023 to Friday, 15 December 2023, both days inclusive, during which no transfer of Shares will be effected. In order to ascertain Shareholders’ rights for the purpose of attending and voting at the EGM, all transfer documents, accompanied by relevant share certificates, must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 11 December 2023 for registration.
4. All times and dates specified herein refer to Hong Kong local times and dates.