# C-LINK SQUARED LIMITED

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

**(Stock code: 1463)**

# DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF SUN JOIN INVESTMENT LIMITED INVOLVING THE ISSUE OF SHARES UNDER GENERAL MANDATE, AND THE CONTRACTUAL ARRANGEMENTS

## THE ACQUISITION

The Board is pleased to announce that, on 28 December 2023, the Purchaser (a direct wholly-owned subsidiary of the Company), Ms. Zou and Ms. Le entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and Ms. Zou and Ms. Le conditionally agreed to sell, an aggregate of 100% of the issued shares of the Target Company. As at the date of this announcement, the Target Company is owned as to 60% by Ms. Zou and 40% by Ms. Le.

The Consideration for the Sale Shares is HK$284,550,898 to Ms. Zou and HK$189,700,599 to Ms. Le, together in the aggregate of HK$474,251,497, which shall be satisfied by the Purchaser procuring the Company to issue and allot 284,550,898 and 189,700,599 Consideration Shares at the Issue Price, credited as fully paid, to SJ Capital Investment and SJ Venture Management, respectively, on the Completion Date. The Consideration Shares represent (i) approximately 19.76% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 16.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date).

The Consideration Shares will be allotted and issued pursuant to the General Mandate.

## THE CONTRACTUAL ARRANGEMENT

Prior to entering into the Share Purchase Agreement, the WFOE (an indirect wholly-owned subsidiary of the Target Company) (i) directly owns 50% and 70% of the equity interest in Shengji Online Hospital and Shengji Clinic, respectively, and (ii) has in place a series of Structured Contracts with the Registered Owners, the Operating Entity and the Medical Institutions to acquire all the remaining economic interests and benefits in the Consolidated Affiliated Entities (to the extent the equity interests of which are not already owned by the WFOE). The Consolidated Affiliated Entities are principally engaged in the business of internet hospital and providing brick-and-mortar clinical services, which is subject to foreign ownership restrictions under the PRC laws and regulations as set out below.

Through the Contractual Arrangement, the WFOE will have effective control over the finance and operation of the Consolidated Affiliated Entities, and will enjoy the economic interests and benefits generated by the Consolidated Affiliated Entities (to the extent the equity interests of which are not already owned by the WFOE). Upon Completion of the Acquisition under the Share Purchase Agreement (which the Contractual Arrangement has already in place), the financial results of the Consolidated Affiliated Entities will be consolidated into the consolidated financial statements of the Company and the Consolidated Affiliated Entities will become indirect wholly-owned subsidiaries of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the transactions contemplated under the Share Purchase Agreement will be 5% or more but less than 25%, such transactions will constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Furthermore, under the Share Purchase Agreement, the Consideration Shares will be issued by the Company as Consideration to SJ Capital Investment and SJ Venture Management pursuant to the General Mandate, and therefore, no shareholders' approval in relation to the issuance of the Consideration Shares will be required.

## INTRODUCTION

The Board is pleased to announce that, on 28 December 2023, the Purchaser (a direct wholly-owned subsidiary of the Company), Ms. Zou and Ms. Le entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and Ms. Zou and Ms. Le conditionally agreed to sell, an aggregate of 100% of the issued shares of the Target Company. As at the date of this announcement, the Target Company is owned as to 60% by Ms. Zou and 40% by Ms. Le.

As consideration for the sale of the Sale Shares by Ms. Zou and Ms. Le pursuant to the Share Purchase Agreement, the Purchaser shall procure the Company to issue and allot the Consideration Shares to SJ Capital Investment and SJ Venture Management, respectively, pursuant to the General Mandate.

Upon Completion, the Purchaser will hold the entire issued share capital of the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company.

Prior to entering into the Share Purchase Agreement and as at the date of this announcement, the WFOE (an indirect wholly-owned subsidiary of the Target Company) (i) directly owns 50% and 70% of the equity interest in Shengji Online Hospital and Shengji Clinic (being the Medical Institutions), respectively, and (ii) has in place a series of Structured Contracts with the Registered Owners, the Operating Entity and the Medical Institutions to acquire all the remaining economic interests and benefits in the Consolidated Affiliated Entities (i.e., the Operating Entity and the Medical Institutions). The Medical Institutions are principally engaged in the business of internet hospital and providing brick-and-mortar clinical services, which is subject to foreign ownership restrictions under the PRC laws and regulations as set out below.

Through the Contractual Arrangement, the WFOE will have effective control over the finance and operation of the Consolidated Affiliated Entities, and will enjoy the economic interests and benefits generated by the Consolidated Affiliated Entities (to the extent the equity interest of which are not already owned by the WFOE). Upon Completion of the Acquisition under the Share Purchase Agreement (which the Contractual Arrangement has already in place), the financial results of the Consolidated Affiliated Entities will be consolidated into the consolidated financial statements of the Company and the Consolidated Affiliated Entities will become indirect wholly-owned subsidiaries of the Company.

## THE ACQUISITION

The Board is pleased to announce that on 28 December 2023 (after trading hours), the Purchaser, Ms. Zou and Ms. Le entered into the Share Purchase Agreement in relation to the Acquisition. The principal terms of the Share Purchase Agreement are set out below:

## THE SHARE PURCHASE AGREEMENT

**Date**

28 December 2023 (after trading hours)

**Parties**

(1) Core Squared Limited as the purchaser; and

(2) Ms. Zou and Ms. Le as the sellers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ms. Zou and Ms. Le are third parties independent of the Company and connected persons of the Company.

**Subject matter**

Pursuant to the Share Purchase Agreement, (i) Ms. Zou agreed to sell, and the Purchaser agreed to purchase, 60% of the issued shares of the Target Company, and (ii) Ms. Le agreed to sell, and the Purchaser agreed to purchase, 40% of the issued shares of the Target Company. Upon Completion, the Company will hold the entire issued share capital of the Target Company. As at the date of this announcement, the Target Company (i) owns the entire issued share capital of SJ Investment HK, which in turn owns 100% equity interest in the WFOE, which in turn owns 50% and 70% of the equity interest in Shengji Online Hospital and Shengji Clinic (being the Medical Institutions), respectively, and (ii) through the WFOE, has in place a series of Structured Contracts with the Registered Owners, the Operating Entity and the Medical Institutions to acquire all the remaining economic interests and benefits in the Consolidated Affiliated Entities (to the extent the equity interest of which are not already owned by the WFOE).

**Consideration**

The Consideration for the Sale Shares is HK$284,550,898 to Ms. Zou and HK$189,700,599 to Ms. Le, together in the aggregate of HK$474,251,497, which shall be satisfied by the Purchaser procuring the Company to issue and allot 284,550,898 and 189,700,599 Consideration Shares at the Issue Price, credited as fully paid, to SJ Capital Investment and SJ Venture Management, respectively, on the Completion Date.

The Consideration was arrived at after arm's length negotiation between the Purchaser and Ms. Zou and Ms. Le after taking into account the following:

(i) the Medical Institutions' business growth: the consistent expansion of the Medical Institutions which is attributed to the Medical Institutions' effective business strategies of utilising online communication channels to address the demand for remote outpatient services, bringing about a new healthcare service system which combines the advantages of online and offline medical services;

(ii) Shengji Online Hospital's internet hospital technology: Shengji Online Hospital's internet hospital services appeal to customers due to their convenience, accessibility, and ability to provide remote medical consultations, diagnosis, and prescriptions by experienced doctors and pharmacists, making healthcare services more convenient and accessible, and aligning with the evolving means of providing outpatient services in the PRC post COVID-19 pandemic;

(iii) the extensive experience of the Medical Institutions' medical practitioners: the doctors currently partnering with or working in the Medical Institutions have extensive experience and research in their respective fields, ensuring quality medical advice and services provided by the Medical Institutions. Further, the chief Chinese medicine expert of the Medical Institutions, recognised and known as an international senior Chinese medicine expert of BRICS International Medical Experts Committee, has joined the Medical Institutions exclusively. As part of their strategic cooperation, the Medical Institutions will apply for patents for his Chinese medicine formulas and transform them into standardised products and procedures for promotion online and offline;

(iv) the benefits to the Group's insurance outsourced business by acquiring a healthcare provider: by partnering with the Medical Institutions and leveraging their capabilities in the healthcare industry, the Group will be able to expand its insurance service offerings on top of its existing services, i.e., outsourced insurance risk analysis services and insurance marketing services, gain new customer segments and improve operational efficiency with its one-stop insurance and value-added health management services for its new and existing clients; and

(v) the Medical Institutions' prospects and growth potential in the medical sector: with the Medical Institutions' medical resources and expertise, including but not limited to their signature health products in treating intestinal bacteria disorders and hereditary hair loss, as well as the cooperative framework agreements that they have entered into with medical equipment providers for essential medical equipment such as blood pressure monitors, blood glucose detectors, oxygen concentrators, nebulizers, LED surgical lights, etc., the Company can capitalise on the emerging internet hospital economy and tap into the customer and supplier network of the Medical Institutions extending the reach of its existing distribution and sales of medical equipment business in the PRC.

The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

**Consideration Shares**

The Consideration Shares represent (i) approximately 19.76% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 16.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date). The Consideration Shares have an aggregate nominal value of approximately HK$1,580,838.32.

**Issue Price**

The Issue Price of HK$1.00 represents:

(i) no discount or premium to the closing price of HK$1.00 per Share as quoted on the Stock Exchange on the date of the Share Purchase Agreement;

(ii) no discount or premium to the average closing price of HK$1.00 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days of the Shares immediately prior to the date of the Share Purchase Agreement; and

(iii) no discount or premium to the average closing price of HK$1.00 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days of the Shares immediately prior to the date of the Share Purchase Agreement.

The Issue Price was determined after arm's length negotiation between the Parties with reference to, among other things, the recent price performance of the Shares and the prevailing market conditions. The Directors consider that the Issue Price is fair and reasonable.

***Ranking***

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of allotment and issue of the Consideration Shares.

***General Mandate to issue the Consideration Shares***

The Consideration Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 480,000,000 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares and the allotment and issue of the Consideration Shares are not subject to any further approval of the Shareholders. Upon Completion, 474,251,497 Consideration Shares will be issued under the General Mandate, and the balance of 5,748,503 Shares will remain unissued under the General Mandate.

***Application for listing***

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

### *Conditions Precedents*

Completion is conditional upon, among others, the following conditions precedents (the "**Conditions Precedents**") being fulfilled or waived by the Purchaser or Ms. Zou and Ms. Le (as the case may be):

(i) the representations and warranties of the Purchaser, Ms. Zou and Ms. Le shall be true, correct, complete and not misleading in all material aspects;

(ii) all necessary consents, authorizations, approvals and waivers (if applicable) have been obtained and all necessary registrations and filings (if applicable) in connection with the entering into and the performance of the terms of the Share Purchase Agreement and the Structured Contracts shall have been obtained and such consent has not been withdrawn or revoked as of Completion;

(iii) the Structured Contracts having been maintained and effective and have not been amended;

(iv) no notices, letters or orders having been served, issued or made by any governmental authority or statutory or regulatory body declaring that the Structured Contracts or the Contractual Arrangement is illegal, invalid or not in compliance with any applicable PRC laws, regulation or policy or any other applicable laws;

(v) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Share Purchase Agreement or which is reasonably likely to have a material adverse effect on the right of the Purchaser to own the legal and beneficial title to the Sale Shares, free from encumbrances, following Completion;

(vi) the Company shall have obtained, from the Stock Exchange, the approval for the listing of, and permission to deal in, the Consideration Shares upon their allotment and issuance to SJ Capital Investment and SJ Venture Management on the Stock Exchange and such approval has not been subsequently revoked or withdrawn prior to the Completion Date;

(vii) the Company shall have obtained approval of the Board as required for the allotment and issuance of the Consideration Shares to SJ Capital Investment and SJ Venture Management pursuant to the Share Purchase Agreement;

(viii) the respective board of directors of the Company, the Purchaser and the Target Company shall have passed resolutions for approving, among other things, the Acquisition and the transactions contemplated under the Share Purchase Agreement;

(ix) the respective board of directors of SJ Capital Investment and SJ Venture Management shall have passed resolutions for approving, among other things, the subscription of the Consideration Shares; and

(x) the licences, permissions and qualifications of the Consolidated Affiliated Entities shall not have been revoked or withdrawn at any time prior to Completion.

**Completion**

Subject to the fulfilment or waiver (as the case may be) of the Conditions Precedents, Completion shall take place on the Completion Date. Completion of the sale of the issued share capital in the Target Company by each of Ms. Zou and Ms. Le to the Purchaser shall be conditional upon each other.

Upon Completion, the Purchaser will hold the entire issued share capital of the Target Company. The Target Company, SJ Investment HK and the WFOE will become indirect wholly-owned subsidiaries of the Company, and the financial results of the Target Company, SJ Investment HK and the WFOE will be consolidated into the Company's consolidated financial statements. In relation to consolidation of the financial results of Shengji Online Hospital and Shengji Clinic, please refer to the section headed "CONSOLIDATION OF THE FINANCIAL RESULTS OF THE CONSOLIDATED AFFILIATED ENTITIES" below.

**Termination**

Prior to Completion, the Share Purchase Agreement may be terminated upon occurrence of any of the following events:

(i) by written mutual consent of the Parties;

(ii) the Conditions Precedent not being fulfilled or waived (as the case may be) within six (6) months from the date of the Share Purchase Agreement;

(iii) by written notice of the Purchaser, if (a) there is any material adverse change, (b) the representations and warranties given by the Sellers under the Share Purchase Agreement are untrue or misleading, or (c) there is any breach the undertaking of the Sellers under the Share Purchase Agreement and such breach or default is not cured by the Sellers within thirty (30) days after the Sellers receiving a written notice of such breach or default; or

(iv) by written notice of the Sellers, if the representations and warranties given by the Purchaser under the Share Purchase Agreement are untrue or misleading.

## EFFECTS OF THE ACQUISITION ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, SJ Capital Investment and SJ Venture Management did not hold any Shares. Upon Completion and immediately after the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date, and SJ Capital Investment and SJ Venture Management will not hold any other Shares save for the Consideration Shares on the Completion Date), SJ Capital Investment and SJ Venture Management will hold 284,550,898 and 189,700,599 Shares, representing 9.90% and 6.60% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, respectively.

Based on publicly available information, including the disclosure of interests notices published on the Stock Exchange's website, and to the best of the Directors' knowledge, the Company's total number of issued Shares held by the public before and after Completion will remain to be more than 25% of the total issued Shares.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has been reviewing its current business and exploring possible business opportunities in the PRC to develop new lines of business with an aim to further diversify the Company's income streams. Through the acquisition of the Medical Institutions which engage in internet hospital and brick-and-mortar clinical services business, the Company will gain access to a comprehensive range of services that encompass both the digital and physical aspects of healthcare, and provides a ready-made platform for the Company to enter the internet hospital market and capitalize on its growth potential. Simultaneously, the brick-and-mortar clinical services provide a complementary and tangible aspect to the business. The acquisition of Medical Institutions allows the Company to leverage the existing infrastructure, facilities, and expertise of the Medical Institutions' clinics. This combination of virtual and physical healthcare services ensures a comprehensive and holistic approach to patient care, catering to a wide range of healthcare needs.

Furthermore, as the insurance industry evolves and strives to improve offerings to benefit growing customer expectations, the Acquisition would allow the Group to be able to offer one-stop insurance and healthcare services to its existing and new customers from the expanded customer base. Through being involved in outsourced businesses for insurance companies, the Group has noted the increasing demand from insurance companies in the PRC for value-added health management services. Such insurers aim to raise the public's awareness for healthy lifestyle, thereby lowering the cost of medical treatment and their potential future claims expenses. The complimentary integration of the Group's insurance risk analysis services and insurance marketing services and the Target Group's businesses allows the Group to provide enhanced solutions with greater operational efficiency in the long term. Additionally, as healthcare costs continue to rise, Shengji Online Hospital as a digital healthcare provider is able to offer more affordable healthcare services through its platform, including but not limited to disease diagnosis, online prescriptions, medicine delivery and health management. As a result, the Acquisition creates synergy between the Group and the Target Group, achieving a cooperation model on technology, insurance and healthcare services.

After taking into consideration of the above factors, the Directors consider that the Acquisition is on normal commercial terms, the terms of the Share Purchase Agreement (including the payment terms) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of outsourced document management services and related software applications and enterprise software solutions services in Malaysia, provision of outsourced insurance risk analysis services and insurance marketing services in the PRC, and the distribution and sales of medical equipment in the PRC.

## INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding of the Group's subsidiary engaging in insurance risk analysis, marketing services and distribution and sales of medical equipment.

## INFORMATION ON THE TARGET COMPANY, SJ INVESTMENT HK AND THE WFOE

The Target Company is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding of SJ Investment HK, the WFOE and its subsidiaries.

SJ Investment HK is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding of the WFOE and its subsidiaries.

The WFOE is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in investment holding of 50% and 70% of the equity interest of Shengji Online Hospital and Shengji Clinic, respectively, and entering into of the Contractual Arrangement.

## INFORMATION ON SJ CAPITAL INVESTMENT, SJ VENTURE MANAGEMENT AND THE SELLERS

SJ Capital Investment is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding.

SJ Venture Management is a company incorporated under the laws of the British Virgin Islands with limited liability. It is principally engaged in investment holding.

The Sellers are Ms. Zou and Ms. Le, each a PRC national and a businessperson, holds 100% of the issued share capital of SJ Capital Investment and SJ Venture Management, respectively. As at the date of this announcement, Ms. Zou and Ms. Le (i) own 60% and 40% of the issued shares of the Target Company, respectively, and (ii) own 60% and 40% of the equity interests of the Operating Entity, respectively. None of Ms. Zou and Ms. Le are directors of the Target Group and the Consolidated Affiliated Entities.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Ms. Zou and SJ Capital Investment on the one hand, and Ms. Le and SJ Venture Management on the other hand, are independent of each other, and (ii) SJ Capital Investment, SJ Venture Management and their respective ultimate beneficial owners, i.e., Ms. Zou and Ms. Le, are third parties independent of the Company and connected persons of the Company.

## INFORMATION OF THE CONSOLIDATED AFFILIATED ENTITIES

The Operating Entity is an investment holding company incorporated under the laws of the PRC with limited liability. As at the date of this announcement, the Operating Entity holds 50% of the equity interest of Shengji Online Hospital, and 30% of the equity interest of Shengji Clinic. The Registered Owners of the Operating Entity are Ms. Zou and Ms. Le. As at the date of this announcement, Ms. Zou and Ms. Le own 60% and 40% of the equity interests of the Operating Entity, respectively.

Shengji Online Hospital is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in the business of internet hospital.

Shengji Clinic is a company incorporated under the laws of the PRC with limited liability. It is principally engaged in the business of providing brick-and-mortar clinical services.

## CERTAIN FINANCIAL INFORMATION

Set out below is certain financial information of the Consolidated Affiliated Entities, as extracted from the unaudited combined financial statements of the Consolidated Affiliated Entities for the two financial years ended 31 December 2021 and 2022, and the unaudited consolidated management accounts of the Consolidated Affiliated Entities for the period from 1 January 2023 up to the date of this announcement, which were prepared in accordance with the China Accounting Standards for Business Enterprises and provided by the Sellers:

| | **For the period from 1 January 2023 to the date of this announcement** | **For the year ended 31 December 2022** | **For the year ended 31 December 2021** |
|---|---|---|---|
| | *RMB* | *RMB* | *RMB* |
| | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* |
| Net profit/(loss) before taxation | 813,529 | (2,358,048) | (781,985) |
| Net profit/(loss) after taxation | 684,809 | (2,358,048) | (791,054) |

Each of the Target Company, SJ Investment HK and the WFOE is a recently incorporated company engaging in investment holding only, and therefore there is no net profit or loss before or after taxation for these companies for the two years ended 31 December 2022 and for the period from 1 January 2023 to the date of this announcement.

As at the date of this announcement, the unaudited net asset value of the Target Group and the Consolidated Affiliated Entities according to the unaudited financial information of these companies provided by the Sellers was approximately RMB31,067,989.

By virtue of the Contractual Arrangement, the WFOE exercises control over the Consolidated Affiliated Entities and enjoys the remaining economic interests and benefits generated by the Operating Entity, Shengji Online Hospital and Shengji Clinic (to the extent that the equity interests of which are not already owned by the WFOE). Further details of the Structured Contracts are set forth in the section headed "THE CONTRACTUAL ARRANGEMENT" in this announcement.

## THE CONTRACTUAL ARRANGEMENT

### Background and reasons for the use of the Contractual Arrangement

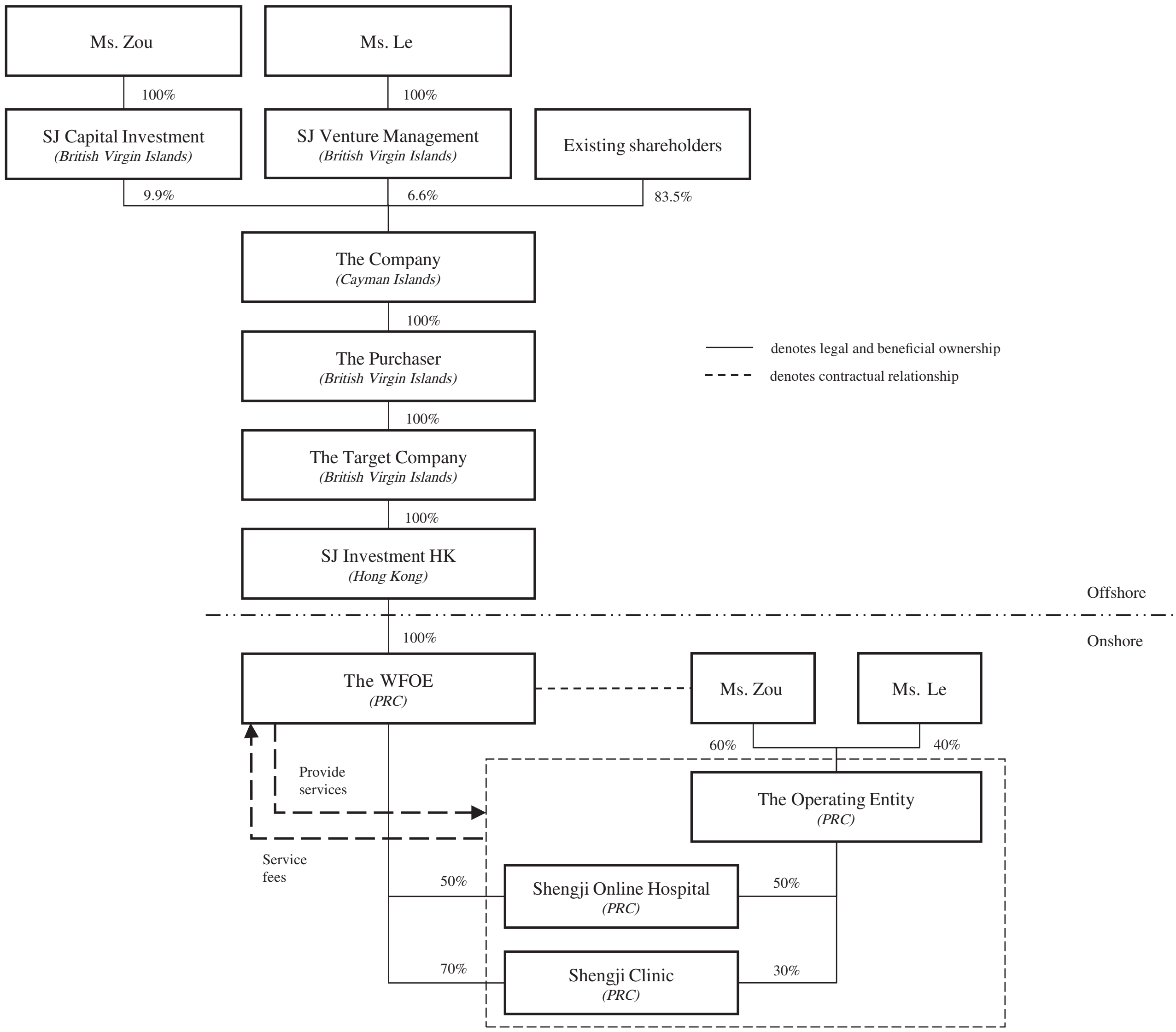
The principal business of the Consolidated Affiliated Entities involves the provision of internet hospital and brick-and-mortar clinical services (the "**PRC Business**"). A foreign entity which intends to operate businesses in the PRC are subject to certain restrictions under the Negative List. Foreign investors shall not invest in any industry forbidden by the Negative List for access of foreign investment. Pursuant to the Negative List, the operation of "medical institution" in the PRC falls within the "restricted category" for foreign investment under the PRC laws, and foreign investments are restricted to the form of Sino-foreign equity joint venture. Further, according to the Interim Administrative Measures on Sino-Foreign Joint Venture and Cooperative Medical Institutions* (《中外合資、合作醫療機構管理暫行辦法》), foreign investors are not allowed to hold more than 70% equity interest in a "medical institution", including institutions with Practicing License for a Medical Institution such as Shengji Online Hospital and Shengji Clinic.

In addition, the provision of internet information services and online data processing and transaction processing services through mini programmes and websites established falls within the scope of value-added telecommunication service under the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) promulgated by the State Council on 25 September 2000 and last amended on 6 February 2016, the Catalogue of Telecommunications Business (2015) (《電信業務分類目錄》(2015年版)), and the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulations**") promulgated by the State Council, taking effect on 1 January 2002 and last amended in March 2022 with effect from 1 May 2022. Pursuant to the Negative List, foreign investors are not allowed to hold more than 50% equity interest in any enterprise conducting value-added telecommunication services (excluding e-commerce, domestic multi-party communication services, store-and-forward services and call center services). According to the FITE Regulations, foreign investors are not allowed to hold more than 50% equity interest in enterprises conducting value-added telecommunication services, except as otherwise stipulated by the state, provided that the foreign investors shall satisfy with some requirements, including the minimum amount of registered capital under the FITE Regulations. Since Shengji Online Hospital's business involves providing value-added telecommunication services, it is subject to the aforementioned foreign investment restriction as well.

In order to comply with the relevant PRC laws and regulations while achieving the commercial intention of the parties, the Contractual Arrangement has therefore been entered into among the WFOE, the Registered Owners, the Operating Entity and the Medical Institutions, pursuant to which the Target Company through the WFOE will have effective control over 50% and 30% of the finance and operation of Shengji Online Hospital and Shengji Clinic respectively, and will enjoy 50% and 30% of the economic interests and benefits generated by Shengji Online Hospital and Shengji Clinic, respectively despite the lack of registered equity ownership.

## Structure of the Contractual Arrangement

The following simplified diagram illustrates the structure of the Contractual Arrangement upon Completion:



**Details of the Structured Contracts**

Set out below are the principal terms of each of the Structured Contracts:

***(i) Exclusive Operations Services Agreement***

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|---|---|
| **Parties:** | (a) the WFOE;<br>(b) the Operating Entity;<br>(c) the Registered Owners; and<br>(d) the Medical Institutions. |
| **Term:** | Effective for three years from the signing date of the Exclusive Operations Service Agreement and renewed automatically for another three years upon the expiry of each three-year term, until its termination as agreed by the parties. |
| **Subject matter:** | The WFOE shall provide the Operating Entity with services related to shareholder rights and investment management based on actual business needs of the Operating Entity, and provide management consulting services to the Medical Institutions on request. Such services include but are not limited to:<br>(a) developing effective plans and be responsible for the implementation of such plans regarding services involving the Operating Entity and the Medical Institutions' existing and future assets and business operations. Such matters include but are not limited to strategic investments and project investment target plans, financing, investment management, capital expenditure levels, investment parameters, investment composition, investment returns and benchmarking of competitors in the same industry; |

(b) providing opinions, suggestions and management to improve the human resources and operational technical level of the Operating Entity and the Medical Institutions, including but not limited to the implementation of employee management improvement measures and continuous employee training programs;

(c) assisting the Operating Entity and the Medical Institutions in collecting relevant technical and business information and market research, and providing industry information and management decisions to improve medical technology, operating capabilities and save costs;

(d) screening and introducing customers to the Operating Entity and the Medical Institutions; providing publicity and promotion suggestions and decisions, helping them expand business and cooperative relationships, and strengthening daily maintenance of customer relationships;

(e) assigning technical personnel to the Operating Entity and the Medical Institutions to provide comprehensive technical operation monitoring, market strategy research, formulate operational strategies, etc., and regularly formulating and managing a series of operational plans, collection plans, preferential policies, procurement plans, etc.;

(f) provide the Operating Entity and the Medical Institutions with suggestions and opinions on establishing and improving their corporate structure, management system and department setup, and assisting them in improving their internal management system;

(g) providing the Medical Institutions with comprehensive solutions in the medical industry technology required for their business, including:

   (1) strengthening the provision of management consulting services in medical technology;

   (2) carrying out medical resource sharing and offering relevant medical resources owned by the WFOE to the Medical Institutions according to their business development plans and needs, including clinical technology, expert resources, clinical training opportunities, etc.;

   (3) introducing and training professional and technical personnel needed for the Medical Institutions to carry out and develop their business;

(h) screening and recommending qualified suppliers for the Operating Entity and the Medical Institutions, and monitor the quality of drugs, medical devices and consumables for the Medical Institutions;

(i) assigning technical personnel to guide the Medical Institutions, monitor the quality of medical services, and improve service quality and satisfaction; and

(j) other related technical services, operation and maintenance, equipment and facilities provision, management consultants and consulting services provided from time to time at the request of the Operating Entity or the Medical Institutions as permitted by PRC law.

The Exclusive Service Agreement shall be governed by, interpreted and construed under the laws of the PRC.

| | |
|---|---|
| **Undertakings:** | without prior written approval from the WFOE, the Registered Owners, Operating Entity and the Medical Institutions shall not enter into any written or verbal agreements to engage a third party for the purpose of providing the same or similar services to those provided by the WFOE, nor enter into any transaction that (a) involves the disposal, transfer or acquisition of any form of the Operating Entity and Medical Institutions' material assets with a value higher than RMB500,000, (b) may affect the Operating Entity and the Medical Institutions' assets, obligations, business operation, shareholding structure or equity interest and rights in third parties (save as those transactions entered into in the ordinary course of business and those that have been disclosed to the WFOE and have obtained written consent from the WFOE), or (c) cause a change in the existing shareholding structure of the Operating Entity and the Medical Institutions. |
| **Fee:** | the Operating Entity agrees to pay the distributable profits it obtained from the Medical Institutions (net of costs, expenses, taxes and payments required by the applicable laws and regulations to be reserved or withheld) after offsetting the preceding year's losses (if any) to the WFOE as the service fee. |

***(ii) Exclusive Options Agreements***

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| **Parties:** | Two Exclusive Options Agreements shall be separately entered among the following parties:<br>(a) the WFOE;<br>(b) the Registered Owners;<br>(c) the Operating Entity; and<br>(a) the WFOE;<br>(b) the Operating Entity;<br>(c) the Medical Institutions |

**Term:** Effective from the signing date of the Exclusive Options Agreements and until all equity interest and assets in the Operating Entity and the Medical Institutions have been transferred to the WFOE as allowed under PRC laws or upon termination by the WFOE.

**Subject matter:** The Registered Owners grant to the WFOE the exclusive, irrevocable and unconditional rights to purchase all or part of the Registered Owners and Operating Entity's shares and assets in the Operating Entity and the Medical Institutions, respectively (the "**Options**"), at any time during the exercise period thereof. The exercise period (the "**Exercise Period**") of the Options shall be the same as the term of the Exclusive Options Agreement.

The WFOE may exercise the Options at any time during the Exercise Period by serving a notice on the Registered Owners or the Operating Entity. The parties shall then immediately take all necessary actions, do all things, and cooperate with each other to effect the sale, purchase and transfer of the shares or assets under the Options in the Operating Entity or the Medical Institutions to the WFOE.

Pursuant to the Exclusive Options Agreements, each of the Registered Owners and Operating Entity respectively covenants and undertakes with respect to the Operating Entity and the Medical Institutions, that during the term of such agreement, it shall not do the following acts without the prior written consent of the WFOE:

(a) transfer, dispose of, or create or allow to be created any security over the Options;

(b) increase or reduce or change the structure of the registered capital of the Operating Entity or the Medical Institutions, or approve the merger of such entities or acquisition of or investment in any other entity;

(c) dispose or allow the management of the Operating Entity or the Medical Institutions to dispose of any material assets (i.e., assets of any kind with a fair value of RMB500,000 or more);

(d) terminate or cause the management of the Operating Entity or the Medical Institutions to terminate any material agreement entered into by them (i.e., contracts with an amount greater than RMB500,000) or enter into any other agreement that conflicts with an existing material agreement;

(e) appoint or replace any director, manager or management of the Operating Entity or the Medical Institutions;

(f) allow the Operating Entity or the Medical Institutions to distribute any profit, bonus, or dividend to its shareholders;

(g) amend the articles of association of the Operating Entity or the Medical Institutions;

(h) procure or allow the Operating Entity or the Medical Institutions to create or incur any indebtedness or to provide guarantees or to assume any substantive obligation outside the ordinary course of business;

(i) procure or allow the Operating Entity or the Medical Institutions to engage in any transaction or conduct that may materially affect such entities' assets, rights, obligations or operations; and

(j) directly or indirectly (either by themselves or by delegating to any other individuals or entities) engage in, own or acquire any business that competes or may compete with the business of the Operating Entity or the Medical Institutions.

The price payable by the WFOE for the exercise of any Options shall be the lowest amount permitted under PRC law at the time of exercise.

*(iii) Powers of Attorney on Shareholder Rights*

**Parties:** Two Powers of Attorney shall be separately entered among the following parties:

(a) the WFOE;

(b) the Registered Owners;

(c) the Operating Entity; and

(a) the WFOE;

(b) the Operating Entity;

(c) the Medical Institutions

**Term:** Effective from the signing date of the Powers of Attorney and until all equity interest and assets in the Operating Entity and the Medical Institutions have been transferred to the WFOE as allowed under PRC laws or upon termination by the WFOE.

**Subject matter:** Each of the Registered Owners and the Operating Entity shall grant a power of attorney to the WFOE with respect to the Operating Entity and the Medical Institutions, respectively, pursuant to which the WFOE shall act on behalf of the respective grantors with respect to all shareholder rights allowed under PRC law and applicable laws and regulations, and the Operating Entity and the Medical Institutions' respective articles of association, including but not limited to the following:

(a) propose to convene and attend the Operating Entity and the Medical Institutions' shareholders' meeting in accordance with their respective articles of association;

(b) exercise the voting rights corresponding to the equity of the Operating Entity and the Medical Institutions held by the respective grantors on all matters that need to be discussed and resolved at the shareholders' meeting, including but not limited to election of directors, capital and share matters, amendment of articles of association, business policies and investment plans, financial budgets and final accounts, dissolution and liquidation, etc.;

(c) act as a director, manager or legal representative of the Operating Entity and the Medical Institutions, appoint or replace senior management, etc.;

(d) exercise other shareholder voting rights provided under the Operating Entity and the Medical Institutions' respective articles of association;

(e) exercise any shareholder rights to deal with the Operating Entity and the Medical Institution's assets in accordance with PRC law, including but not limited to the right to manage and acquire the assets and to obtain the income derived therefrom;

(f) sell, transfer, pledge or otherwise dispose of all or part of the respective equity interest in the Operating Entity and the Medical Institutions held by the Registered Owners and the Operating Entity in accordance with PRC law;

(g) supervise the operating performance of the Operating Entity and the Medical Institutions and review their financial information in accordance with PRC law;

(h) sign notice, minutes, resolutions of shareholders' meetings of the Operating Entity and Medical Institutions, and submit any document required for approval, registration, and filing related to the Operating Entity and Medical Institutions' operations to relevant government departments;

(i) receive the remaining property of the Operating Entity and the Medical Institutions upon their dissolution or liquidation; and

(j) any shareholder rights stipulated in other applicable PRC laws and the Operating Entity and Medical Institutions' articles of association (as amended from time to time).

The Powers of Attorney and any non-contractual obligations associated with it are governed by and shall be construed under the laws of the PRC.

**Undertakings:** Pursuant to the Powers of Attorney, to ensure that it does not give rise to a conflict of interest, each of the Registered Owners and Operating Entity irrevocably undertakes that:

(a) the authorisations under the Powers of Attorney will not lead to any potential conflict of interests between the WFOE and the Registered Owners or Operating Entity;

(b) if any conflict of interest occurs during the performance of the Contractual Arrangement, the WFOE's interest shall take priority; and

(c) so long as the Powers of Attorney is effective, each of them is not entitled to and will not exercise or control the exercise of any powers as set out in (a) to (j) above.

### *(iv) Pledge of Shares Agreement*

**Parties:** Two Pledge of Shares Agreements shall be separately entered among the following parties:

(a) the WFOE;

(b) the Registered Owners;

(c) the Operating Entity; and

(a) the WFOE;

(b) the Operating Entity;

(c) the Medical Institutions

**Term:** Effective from the signing date of the Pledge of Shares Agreements and until all equity interest and assets in the Operating Entity and the Medical Institutions have been transferred to the WFOE as allowed under PRC laws, or when all the obligations secured under the Pledge of Shares Agreements have been paid or performed.

**Subject matter:** The Registered Owners and the Operating Entity shall unconditionally and irrevocably pledge all of their respective equity interest in the Operating Entity and the Medical Institutions, including any increased share capital after the date of the Pledge of Shares Agreements (the "**Pledged Shares**"), in favour of the WFOE in order to guarantee the performance of their respective obligations under the Exclusive Service Agreement, Exclusive Option Agreements and the Powers of Attorney.

Upon the occurrence of any default of the obligations under the Pledge of Shares Agreements, the WFOE may elect to serve a notice to Registered Owners and the Operating Entity (as applicable) and exercise its right to dispose of the Pledged Shares. The WFOE shall be entitled to the proceeds from such sale after settling the expenses incurred, taxes and statutory fees involved in the disposal of the Pledged Shares, and after offsetting the amounts owed by the Operating Entity or the Medical Institutions (as applicable) to the WFOE.

Pursuant to the Pledge of Shares Agreements, the Registered Owners undertake that, without the prior consent of the WFOE, as long as the Pledge of Shares Agreements remain in full force and effect, the Registered Owners shall not, among other things, (a) sell or otherwise transfer the Pledged Shares, (b) allow any other pledge or encumbrance to be created with respect of the Pledged Shares except in favour of the WFOE as provided under the Pledge of Shares Agreements, and (c) assign to any party other than the WFOE any right attached to the Pledged Shares.

During the term of the Pledge of Shares Agreements, any respective dividends, bonuses, dividends and other income received by Registered Owners and the Operating Entity from the Operating Entity and the Medical Institutions shall be immediately and unconditionally given to the WFOE or its appointee.

The validity, interpretation and enforcement of the Pledge of Shares Agreements shall be governed by the laws of the PRC.

### *(v) Spouse undertakings*

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| **Parties:** | The spouse of each of the Registered Owners (each a "**Spouse**") |
| **Term:** | Effective from the date of the Spouse Undertakings and until the termination of the Contractual Arrangement |
| **Subject matter:** | Each Spouse undertakes the following: |

(a) each Spouse confirmed and agreed that the respective Registered Owners are entitled to deal with his/her own direct or indirect equity interest in the Operating Entity and the Medical Institutions in accordance with the Structured Contracts;

(b) each Spouse has not and does not intend to participate in the operation and management of the Operating Entity and the Medical Institutions in the future, and will not claim any rights or benefits in relation to the equity interest and assets of the Operating Entity and the Medical Institutions;

(c) each Spouse confirmed that any mortgage, sale or other disposal of the equity interest and assets of the Operating Entity or the Medical Institutions in accordance with the Structured Contracts, or any amendments or changes to such contracts, shall not require the consent, signature, confirmation or affirmation by the Spouse;

(d) each Spouse will enter into all necessary documents and take all necessary actions to ensure the due performance of the Structured Contracts as amended from time to time; and

(e) each Spouse confirmed that, if for any reason he/she directly or indirectly acquires part or all of the equity interest in the Operating Entity and the Medical Institutions, the Spouse shall unconditionally agree to be bound by the Contractual Arrangement as if he/she were a party to the Structured Contracts. The Spouse agreed to cooperate in taking all required actions and sign all required documents in this regard.

The Spouse Undertakings shall be governed by the laws of the PRC.

**Dispute resolution, succession, liquidation and other related matters under the Contractual Arrangement**

***Dispute resolution***

Each of the agreements under the Structured Contracts contains a dispute resolution provision.

Pursuant to the Structured Contracts, any and all dispute, controversies, and conflicts arising out of or in connection with the foregoing agreements shall be, so far as is possible, settled amicably. Failing such amicable settlement within 30 days, any party may submit the relevant dispute to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Beijing. The arbitration award shall be final and binding on all parties. The arbitral tribunal or the arbitrators shall, in principle, have the authority to award any remedies including remedies over the shares or assets of the Operating Entity and the Medical Institutions, injunctive relief (such as injunctive relief with respect to the conduct of business or to compel the transfer of assets), and order the winding up of the Operating Entity and the Medical Institutions, and the courts of competent jurisdictions of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of the Operating Entity and the Medical Institutions) and the place where the principal assets of the Company, the Operating Entity or the Medical Institutions are located, shall have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases.

***Succession***

The provisions set out in the Structured Contracts are also binding on the successors of the Registered Owners and the Operating Entity, as if the successors were signing parties to the Structured Contracts and any breach by the successors would be deemed to be a breach of the Structured Contracts. In case of a breach, the WFOE can enforce its rights against the successors. Pursuant to the Structured Contracts, any inheritor of the Registered Owners or the Operating Entity shall inherit any and all respective rights and obligations of the Operating Entity as a result of its insolvency, reorganisation, merger, spin-off, or the Registered Owners as a result of their respective loss of capacity, death, bankruptcy, divorce, shareholder change (if applicable), or under other circumstance which would affect their exercise of equity interest in the Operating Entity, as if the inheritor was a signing party to such Structured Contracts. This is to protect the Group's interests and to avoid any practical difficulties in enforcing the Contractual Arrangement.

Based on the foregoing, the PRC Legal Adviser is of the view that (i) the Structured Contracts provide protection to the Group even in the event of loss of capacity, death or bankruptcy, divorce, shareholder change (if applicable) of the Registered Owners, or the insolvency, reorganisation, merger, spin-off of the Operating Entity, and (ii) such events would not affect the validity of the Structured Contracts, and the WFOE may enforce its rights under the Structured Contracts against the successors of such shareholders.

***Conflict of interests***

Each of the Registered Owners and the Operating Entity have given their irrevocable undertaking in the Powers of Attorney to address potential conflicts of interests that may arise in connection with the Contractual Arrangements.

***Loss sharing***

Since 100% of the Consolidated Affiliated Entities' financial results will be consolidated into the Group's financial results through the Acquisition and the use of the Structured Contracts, the Company's business, financial position and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses.

Nevertheless, as provided in the Exclusive Options Agreements, without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not, among others, (i) transfer, dispose of, or create or allow to be created any security over the Options; (ii) increase or reduce or change the structure of the registered capital of the Consolidated Affiliated Entities, or approve the merger of such entities or acquisition of or investment in any other entity; (iii) dispose or allow the management of the Consolidated Affiliated Entities to dispose of any material assets (i.e., assets of any kind with a fair value of RMB500,000 or more); (iv) terminate or cause the management of the Consolidated Affiliated Entities to terminate any material agreement entered into by them (i.e., contracts with an amount greater than RMB500,000) or enter into any other agreement that conflicts with an existing material agreement; (v) appoint or replace any director, manager or management of the Consolidated Affiliated Entities; (vi) allow the Consolidated Affiliated Entities to distribute any profit, bonus, or dividend to its shareholders; (vii) amend the articles of association of the Consolidated Affiliated Entities; (viii) procure or allow the Consolidated Affiliated Entities to create or incur any indebtedness or to provide guarantees or to assume any substantive obligation outside the ordinary course of business; (ix) procure or allow the Consolidated Affiliated Entities to engage in any transaction or conduct that may materially affect such entities' assets, rights, obligations or operations; and (x) directly or indirectly (either by themselves or by delegating to any other individuals or entities) engage in, own or acquire any business that competes or may compete with the business of the Consolidated Affiliated Entities.

Therefore, due to the relevant restrictive provisions and indemnities given in the Exclusive Options Agreements, the potential adverse effect on the Company and the WFOE in the event of any loss suffered from the Consolidated Affiliated Entities is limited.

***Winding-up or liquidation of the Operating Entity and the Medical Institutions***

Pursuant to the Exclusive Service Agreement, the Registered Owners and the Operating Entity have undertaken to appoint a committee designated by the WFOE for the Operating Entity and the Medical Institutions, respectively, as the liquidation committee in the event of their winding up to manage their assets, including seizing the Operating Entity and the Medical Institutions' assets in a winding up situation for the benefit of the Shareholders or creditors.

### *Unwinding the Contractual Arrangement*

In the event that PRC law allows foreign ownership to directly hold 100% of the interest in the Operating Entity, the Company will, through the WFOE, unwind the Contractual Arrangement as soon as possible, including but not limited to the WFOE exercising its rights under the Exclusive Options Agreement to purchase all of the Opco Shares held by the Registered Owners, such that the Operating Entity and the Medical Institutions will legally become wholly-owned subsidiaries of the Company.

No consideration would be payable by the WFOE or any member of the Group to the Registered Owners in the unwinding of the Contractual Arrangement mentioned above. In the event that any consideration is paid by the WFOE or any member of the Group to the Registered Owners in the unwinding of the Contractual Arrangement mentioned above, the Registered Owners have undertaken that they shall return all consideration they receive therefrom to the WFOE.

## COMPLIANCE OF THE CONTRACTUAL ARRANGEMENT WITH THE APPLICABLE PRC LAWS, RULES AND REGULATIONS

The PRC Legal Adviser, after taking all possible actions and steps to reach its legal conclusions, is of the opinion that the Structured Contracts (i) will be legally binding and enforceable on the Registered Owners, the Operating Entity and the Medical Institutions, and (ii) will not fall within any of the circumstances under which a contract may become null and void pursuant to the PRC Civil Code, based on the following reasons:

(i) each of the WFOE, the Operating Entity and the Medical Institutions is a duly incorporated and validly existing company;

(ii) the parties to each of the Structured Contracts are entitled to execute the agreements and perform their respective obligations thereunder;

(iii) none of the Structured Contracts violates any provisions of the articles of association of the WFOE, the Operating Entity or the Medical Institutions;

(iv) pursuant to Articles 146, 153 and 154 of the PRC Civil Code, a contract is void if the civil juristic act: (a) is performed by a person and another person based on a false expression of intent, (b) is in violation of the mandatory provisions of laws or administrative regulations, unless such mandatory provisions do not lead to invalidity of such a civil juristic act, (c) offends the public order or good morals, or (d) is conducted through malicious collusion between a person who performs the act and a counterparty thereof and thus harms the lawful rights and interests of another person. The execution and performance of the Structured Contracts does not fall within any of the circumstances under which a contract may become null and void pursuant to the PRC Civil Code;

(v) the parties to each of the Structured Contracts are not required to obtain any approvals or authorisations from the PRC governmental authorities, except that:

(a) the exercise of the Options by the WFOE or its designee of its rights under the Exclusive Options Agreements to acquire all or part of the equity interest in the Operating Entity is subject to the approvals of and/or registration with the PRC regulatory authorities;

(b) any share pledge contemplated under the Pledge of Shares Agreements is subject to the registration with local administration bureau for market regulation; and

(c) the arbitration awards or interim remedies provided under the dispute resolution provision of the Structured Contracts shall be recognised by PRC courts before compulsory enforcement; and

(vi) each of the Structured Contracts is valid, legal and binding under PRC laws, except for the following provisions regarding dispute resolution and the liquidation committee:

(a) the Structured Contracts provide that any and all dispute, controversies, and conflicts arising out of or in connection with the foregoing agreements shall be, so far as is possible, settled amicably. Failing such amicable settlement within 30 days, any party may submit the relevant dispute to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Beijing. The arbitration award shall be final and binding on all parties. The arbitral tribunal or the arbitrators shall, in principle, have the authority to award any remedies including remedies over the shares or assets of the Operating Entity and the Medical Institutions, injunctive relief (such as injunctive relief with respect to the conduct of business or to compel the transfer of assets), and the courts of competent jurisdictions of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of the Operating Entity and the Medical Institutions) and the place where the principal assets of the Company, Operating Entity or the Medical Institutions are located, shall have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases. However, the PRC Legal Adviser has advised that (i) the Beijing Arbitration Commission may not have power to grant injunctive relief, nor will it be able to order the winding up of Operating Entity and the Medical Institutions pursuant to the current PRC laws and regulations; and (ii) interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognisable or enforceable in the PRC; and

(b) the Structured Contracts provide that the Registered Owners and the Operating Entity undertake to appoint a committee designated by the WFOE for the Operating Entity and the Medical Institutions, respectively, as the liquidation committee to manage their assets in the event of their winding up to manage their assets. However, in the event of a mandatory liquidation required by PRC laws or bankruptcy liquidation, these provisions may not be enforceable under PRC Laws.

The PRC Legal Adviser advised that the interpretation and application of current and future PRC laws and regulations are subject to changes from time to time. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of the PRC Legal Adviser.

## INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP

To ensure sound and effective operation of the Group after the adoption of the Contractual Arrangement, and to safeguard the Group's assets held through the Contractual Arrangement the management of the Group plans to take the following measures:

(i) as part of the Group's internal control measures, major issues arising from implementation and performance of the Contractual Arrangement will be reviewed by the Board on a regular basis. The Board will determine, as part of its periodic review process, whether legal advisers and/or other professionals will need to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangement;

(ii) matters relating to compliance and regulatory enquiries from governmental authorities, if any, will be discussed at such regular meetings;

(iii) the relevant business units and operation divisions of the Group, including the business operations of the Operating Entity and the Medical Institutions, will be reported regularly, which will be no less frequently than on a monthly basis, to the senior management of the Company on the compliance and performance conditions under the Contractual Arrangement and other related matters; and

(iv) the Company will disclose the overall performance of and compliance with the Contractual Arrangement in its annual reports where necessary.

## RISKS AND LIMITATIONS IN RELATION TO THE CONTRACTUAL ARRANGEMENT

**If the PRC government deems that the Contractual Arrangement does not comply with the applicable PRC laws and regulations, or if these PRC laws and regulations or their interpretation change in the future, the Group could be subject to severe consequences, including the relinquishment of the Group's interests received through the Contractual Arrangement**

Foreign ownership of certain businesses in the PRC is subject to restrictions under current PRC laws and regulations. For example, except for qualified service providers from Hong Kong, Macau and Taiwan, foreign investors are not allowed to own 100% of the equity interest in medical institutions.

The Company is an exempted company incorporated in the Cayman Islands, as such, the Company is classified as a foreign enterprise under PRC laws and regulations. Through the WFOE, the Target Company has entered into the Contractual Arrangement with the Registered Owners, the Operating Entity, Shengji Online Hospital and Shengji Clinic. Please see the section headed "THE CONTRACTUAL ARRANGEMENT" for a detailed description of the Contractual Arrangement.

As advised by the PRC Legal Adviser, save as disclosed in this announcement, the Contractual Arrangement is legal, valid, enforceable and binding upon the parties thereto under the current laws and regulations. Please see the section headed "COMPLIANCE OF THE CONTRACTUAL ARRANGEMENT WITH THE APPLICABLE PRC LAWS, RULES AND REGULATIONS" for more details. However, the PRC Legal Adviser has also advised the Group that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations, and accordingly, there can be no assurance that the PRC regulatory authorities with not in the future take a view that is contrary to or otherwise different from the opinion of the Group's PRC Legal Adviser.

The Foreign Investment Law has become effective on 1 January 2020. According to the Foreign Investment Law, the "foreign investment" refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations ("**Foreign Investors**"), including the following: (i) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in China alone or collectively with other investors; and (iv) Foreign Investors investing through other ways prescribed by laws and regulations or guidelines of the State Council. However, the interpretation and application of the Foreign Investment Law remain uncertain. In addition, the Foreign Investment Law stipulates that foreign investment includes "Foreign Investors investing in China through many other methods under laws, administrative regulations or provisions prescribed by the State Council." The Group cannot assure the investors that the Contractual Arrangement will not be deemed as a form of foreign investment under laws, regulations or provisions prescribed by the State Council in the future, as a result of which, it will be uncertain whether the Contractual Arrangement will be deemed to be in violation of the foreign investment access requirements and the impact on the Contractual Arrangement.

If the Group's ownership structure, Contractual Arrangement and business or that of the WFOE, the Operating Entity, Shengji Online Hospital and Shengji Clinic are found to be in violation of any existing or future PRC laws or regulations, or the Group fails to obtain or maintain any of the required permits or approvals, the relevant governmental authorities would have broad discretion in dealing with such violations, including:

(i) levying fines on the Group;

(ii) confiscating the income of the WFOE and the Consolidated Affiliated Entities;

(iii) revoking the Consolidated Affiliated Entities' business licenses and/or operating licenses;

(iv) discontinuing or placing restrictions or onerous conditions on the Consolidated Affiliated Entities' operations, requiring the Group to undergo a costly and disruptive restructuring; and

(v) taking other regulatory or enforcement actions that could be harmful to the Group's business.

Therefore, if the PRC government deems that the Contractual Arrangement does not comply with the applicable PRC laws and regulations, or if these PRC laws and regulations or their interpretation change in the future, the Group could be subject to severe consequences, including the relinquishment of the Group's interests received through the Contractual Arrangement.

Any of these actions could cause significant disruption to the Group's business operations and severely damage the Group's reputation, which would result in the Group failing to receive a portion of the economic benefits from the Consolidated Affiliated Entities, which in turn may materially and adversely affect the Group's business, financial condition and results of operations.

Furthermore, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to the Group's corporate structure and the Contractual Arrangement.

In addition, if any equity interest controlled by the WFOE (to the extent that the equity interest of which are not already owned by the WFOE) in Shengji Online Hospital and Shengji Clinic under the Contractual Arrangement is held in the court custody in connection with its litigation, arbitration or other judicial or dispute resolution proceedings, the Group cannot assure the investors that the equity interest will be disposed of to the Group in such proceedings in accordance with the Contractual Arrangement. The occurrence of any of these events could adversely affect the Group's business, financial condition and results of operations.

**The Contractual Arrangement may not be as effective as direct ownership in providing control over the Consolidated Affiliated Entities**

The WFOE (an indirect wholly-owned subsidiary of the Target Company) has 50% and 70% equity ownership interests in Shengji Online Hospital and Shengji Clinic, respectively, and rely on the Contractual Arrangement with the Consolidated Affiliated Entities to control the remaining 50% and 30% equity ownership interests in Shengji Online Hospital and Shengji Clinic, respectively.

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

If the Consolidated Affiliated Entities fail to perform their respective obligations under the Contractual Arrangement, the Company may incur substantial costs and expend substantial resources to enforce the WFOE's rights. All of the Contractual Arrangement are governed by and interpreted in accordance with PRC laws, and disputes arising from the Contractual Arrangement will be resolved through arbitration or litigation in China. However, there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the outcome of arbitration or litigation. These uncertainties could limit the WFOE's ability to enforce the Contractual Arrangement. The Contractual Arrangement contains provisions to the effect that the arbitral body may award remedies over the shares and/or assets of the Operating Entity and the Medical Institutions, injunctive relief and/or winding up of these entities. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, under PRC laws, these terms may not be enforceable and an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

In the event the WFOE is unable to enforce the Contractual Arrangement or the WFOE experiences significant delays or other obstacles in the process of enforcing the Contractual Arrangement, the WFOE may not be able to exert effective control over the Consolidated Affiliated Entities and may not obtain the full economic benefits of the same. The WFOE's ability to conduct the business may be negatively affected.

**The Registered Owners may potentially have a conflict of interests with the Company**

The Group's control over the remaining 50% and 30% equity ownership interests in Shengji Online Hospital and Shengji Clinic, respectively, is based on the contractual arrangements under the Contractual Arrangement. The Registered Owners may potentially have a conflict of interests with the Company, and conflict of interests of the Registered Owners will adversely affect the interests of the Company. However, under the Contractual Arrangement, the Registered Owners will irrevocably appoint any person as designated by the WFOE (including its liquidator, if any) as their representative to exercise the voting rights of the shareholders of the Consolidated Affiliated Entities. Therefore, it is unlikely that there will be potential conflict of interests between the Company and such Registered Owners. However, in the unlikely event that conflict of interests arises and cannot be resolved, the Company will consider removing and replacing the registered shareholders of the Consolidated Affiliated Entities.

**The Contractual Arrangement may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed**

Under the laws and regulations of PRC, arrangements and transactions may be subject to audit and/or challenge by the PRC tax authorities. The Company may face material adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangement does not represent arm's length negotiations between the parties and they may adjust income and expenses of the WFOE and/or the Consolidated Affiliated Entities for PRC tax purposes, which could result in higher tax liabilities on the WFOE and/or the Consolidated Affiliated Entities. The operating and financial results of the Company may be materially and adversely affected if the tax liabilities of the WFOE and/or Consolidated Affiliated Entities increase significantly or if they are required to pay interest and other penalties on late payments.

**Economic risks the Company bears as the primary beneficiary of the Consolidated Affiliated Entities, financial support to the Consolidated Affiliated Entities and potential exposure of the Company to losses**

As the primary beneficiary of the Consolidated Affiliated Entities, the Company will share both profit and loss of the Consolidated Affiliated Entities and bear economic risks which may arise from difficulties in the operation of the Consolidated Affiliated Entities' businesses. The Company may have to provide financial support in the event of financial difficulty of the Consolidated Affiliated Entities. Under these circumstances, the Company's financial results and financial position may be adversely affected by the worsening financial performance of the Consolidated Affiliated Entities and the need to provide financial support to it. In any event, since the Company conducts the PRC Business through the Consolidated Affiliated Entities, its financial results would be reflected in the Company's consolidated financial statements and the Company's consolidated financial position such as the consolidated earnings and profits may be adversely affected.

**Limitations in acquiring ownership in the remaining equity interest of the Consolidated Affiliated Entities**

In case the WFOE exercises its option to acquire all or part of the remaining equity interest in the Consolidated Affiliated Entities under the Exclusive Options Agreement, such acquisition may only be conducted to the extent as permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the consideration of the aforementioned acquisitions may be subject to review and tax adjustment by the relevant tax authority in the PRC. Further, a substantial amount of other costs (if any), and time may be involved in acquiring and transferring the remaining ownership of the Consolidated Affiliated Entities, which may have a material adverse impact on the WFOE and/or the Consolidated Affiliated Entities' businesses, prospects and profitability.

**Certain terms of the Contractual Arrangement may not be enforceable under the PRC laws**

The Contractual Arrangement provides that the arbitration tribunal or the arbitrators of the PRC have the authority to award any remedy including remedies over the equity interest or assets of the Consolidated Affiliated Entities, injunctive relief (such as injunctive relief for the conduct of business or to compel the transfer of assets) or order the winding up of the Consolidated Affiliated Entities. The Contractual Arrangement also includes a clause in relation to dispute resolution among the parties where, when awaiting the formation of the arbitration tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in Hong Kong, the Cayman Islands, the PRC, and the location where the Consolidated Affiliated Entities' principal assets are located. However, the PRC Legal Adviser is of the view that pursuant to the PRC laws, the arbitration tribunal of the PRC may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of the Consolidated Affiliated Entities. In addition, even though the Structured Contracts provide that overseas courts (e.g., courts in Hong Kong and the Cayman Islands) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that the Consolidated Affiliated Entities or any of the Registered Owners breaches the terms of the Contractual Arrangement, the WFOE may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over the Consolidated Affiliated Entities could be materially and adversely affected.

**The Company does not have any insurance which covers the risks relating to the Contractual Arrangement and the transactions contemplated thereunder**

The insurance of the Company does not cover the risks relating to the Contractual Arrangement and the transactions contemplated thereunder and the Company has no intention to purchase any new insurance in this regard. If any risk arises from the Contractual Arrangement in the future, such as those affecting the enforceability of the Contractual Arrangement and the relevant agreements for the transactions contemplated thereunder and the operation of Contractual Arrangement, the results of the Company may be adversely affected. However, the Company will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations. The Company will continue evaluating the feasibility, the cost and the benefit of insuring the transactions contemplated under the Contractual Arrangement.

## CONSOLIDATION OF THE FINANCIAL RESULTS OF THE CONSOLIDATED AFFILIATED ENTITIES

Although the Company does not directly or indirectly own all the equity interest in the Consolidated Affiliated Entities, (i) the Structured Contracts will enable the Company to exercise control over the Consolidated Affiliated Entities through the WFOE (to the extent that the equity interest of which are not already owned by the WFOE), and (ii) the Acquisition will enable the Company to acquire, indirectly, 50% and 70% equity interest in Shengji Online Hospital and Shengji Clinic, respectively, thus the Company can receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities. Accordingly, the Company has discussed with its auditors and confirms that 100% of the financial results of the Consolidated Affiliated Entities will be consolidated into the financial statements of the Group upon Completion of the Acquisition (which the Contractual Arrangement is already in place).

## REASONS FOR THE USE OF THE CONTRACTUAL ARRANGEMENTS

As discussed under the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION”, to further diversify its income streams, the Company has made the strategic decision to expand its operations in the PRC. The Company has been developing its strategic layout and decided to invest in the internet hospital and brick-and-mortar clinical services businesses, and grow the Group’s business operations in this sector with the Medical Institutions’ capabilities as foundation. In pursuit of this objective, the Company plans to acquire the WFOE which has entered into the Contractual Arrangement with the Consolidated Affiliated Entities.

As discussed under the section headed "THE CONTRACTUAL ARRANGEMENT – Background and reasons for the use of the Contractual Arrangement" in this announcement, the operation of "medical institution" and the provision of internet information services and online data processing and transaction processing services through mini programmes and websites in the PRC are subject to foreign ownership restriction imposed by the relevant PRC laws and regulations. The Company proposes to operate the PRC Business through the Consolidated Affiliated Entities. The Company will, through the WFOE, adjust or unwind (as the case may be) the Contractual Arrangement as soon as practicable in respect of the operation of the PRC Business to the extent permissible and will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations which allow the PRC Business to be conducted and operated without such arrangement in place.

In light of the above, the Directors believe that the entering into of the Contractual Arrangement (which is entered into by the WFOE, a company to be indirectly acquired by the Purchaser upon Completion) are on normal commercial terms and fair and reasonable, and the entering into the Contractual Arrangement is in the interests of the Company and its shareholders as a whole.

## THE BOARD'S VIEW ON THE CONTRACTUAL ARRANGEMENT

Based on the above, the Board is of the view that the Acquisition and the Contractual Arrangement is narrowly tailored to facilitate the proposed expansion of the Group into the PRC Business and to minimise the potential conflicts with and are enforceable under the relevant PRC laws and regulations. Upon the Completion of the Acquisition, the Company indirectly holds 50% equity interest in Shengji Online Hospital and 70% equity interest in Shengji Clinic through its wholly-owned subsidiaries, and controls the remaining 50% equity interest in Shengji Online Hospital and 30% equity interest in Shengji Clinic by virtue of the Contractual Arrangement. As such, the Company can receive substantially all of the economic interest returns generated by the Medical Institutions. The Directors are also of the view that the Acquisition, the Contractual Arrangement and the transactions contemplated thereunder are fundamental to the Group's legal structure and business development, and that such transactions are in the interests of the Company and the Shareholders as a whole.

The Structured Contracts also provide that the WFOE will unwind the Structured Contracts as soon as the relevant PRC laws and regulations governing foreign investment in the operation of the PRC Business are issued which allow the WFOE to register itself as the holder of the remaining equity interest in the Consolidated Affiliated Entities. The Board further believe that save as disclosed in this announcement, the Structured Contracts are enforceable under the relevant PRC laws, and that the Structured Contracts will provide a mechanism that enables the Company to exercise effective control over the Consolidated Affiliated Entities.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of the announcement, the Target Group as well as the Consolidated Affiliated Entities have not encountered any interference or encumbrance from any governing bodies in operating its business under the Contractual Arrangement.

After entering into the Structured Contracts, the Registered Owners will continue to directly hold 100% of the Opco Shares, and will indirectly through the Operating Entity hold 50% and 30% equity interest in Shengji Online Hospital and Shengji Clinic, respectively. Upon Completion, the Company will indirectly hold the remaining 50% and 70% equity interest in Shengji Online Hospital and Shengji Clinic, respectively, through its wholly-owned subsidiaries. As a result of the Acquisition and since the WFOE will control the Consolidated Affiliated Entities through the Contractual Arrangement (to the extent that the equity interest of the Consolidated Affiliated Entities are not already owned by the WFOE), 100% of the financial results of the Consolidated Affiliated Entities will be consolidated into the Group's financial results.

In light of the above, the Board (including the independent non-executive Directors) are of the view that the terms of the Structured Contracts and the Share Purchase Agreement are fair and reasonable, are conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Share Purchase Agreement is 5% or more but less than 25%. Accordingly, the transactions contemplated under the Share Purchase Agreement constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Furthermore, under the Share Purchase Agreement, the Consideration Shares will be issued by the Company as Consideration to SJ Capital Investment and SJ Venture Management pursuant to the General Mandate, and therefore, no shareholders' approval in relation to the issuance of the Consideration Shares will be required.

## DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

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| **"Acquisition"** | the acquisition by the Purchaser of 60% and 40% of the equity interest in the Target Company from Ms. Zou and Ms. Le, respectively, under the Share Purchase Agreement |
| **"Board"** | the board of Directors |
| **"Company"** | C-Link Squared Limited, a limited liability company incorporated under the laws of the Cayman Islands, the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1463) |
| **"Completion"** | the completion of the sale and purchase of an aggregate of 100% of the issued shares of the Target Company pursuant to the Share Purchase Agreement |
| **"Completion Date"** | the date of the Completion, being on or before the seventh (7th) day after all of the conditions precedent under the Share Purchase Agreement have been fulfilled or waived, or such other date as agreed between the Parties in writing |
| **"Consideration"** | HK$474,251,497, being the total consideration of the Acquisition to be paid by the Purchaser to Ms. Zou and Ms. Le, to be settled by way of allotment and issue of the Consideration Shares by the Company to SJ Capital Investment and SJ Venture Management, respectively, on the Completion Date |

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| **"Consideration Shares"** | 284,550,898 and 189,700,599 new Shares to be allotted and issued to SJ Capital Investment and SJ Venture Management, respectively, by the Company at the Issue Price for the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement |
| **"Consolidated Affiliated Entities"** | the Operating Entity and the Medical Institutions |
| **"Contractual Arrangement"** | the Structured Contracts entered into on 19 December 2023 by the WFOE, the Consolidated Affiliated Entities and the Registered Owners in order for the WFOE to have effective control over the finance and operation of the Consolidated Affiliated Entities, and enjoy the economic interests and benefits generated by the Consolidated Affiliated Entities (to the extent the equity interest of which are not already owned by the WFOE), the details of which are described in the section headed "THE CONTRACTUAL ARRANGEMENT – Details of the Structured Contracts" in this announcement |
| **"Director(s)"** | director(s) of the Company |
| **"Exclusive Operations Services Agreement"** | the exclusive operations services agreement（獨家運營服務協議）dated 19 December 2023 and entered into among the WFOE, the Operating Entity, the Registered Owners and the Medical Institutions, details of which are set out under the section headed "Details of the Structured Contracts – (i) Exclusive Operations Services Agreement" |
| **"Exclusive Options Agreements"** | the two exclusive options agreements（獨家購買權協議）dated 19 December 2023 and entered into among the WFOE, the Operating Entity, the Registered Owners and the Medical Institutions, details of which are set out under the section headed "Details of the Structured Contracts – (ii) Exclusive Options Agreement" |

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| **"FITE Regulations"** | has the meaning given to it in the paragraph headed "THE CONTRACTUAL ARRANGEMENT – Background and reasons for the use of the Contractual Arrangement" |
| **"Foreign Investment Law"** | the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) |
| **"General Mandate"** | the general mandate granted, at the annual general meeting of the Company held on 26 June 2023, to the Directors to exercise all the powers of the Company to allot and issue up to 20% of the total number of Shares on the date of passing such resolution |
| **"Hong Kong"** | the Hong Kong Special Administrative Region of the People's Republic of China |
| **"Issue Price"** | the issue price of HK$1.00 for each Consideration Share |
| **"Listing Rules"** | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| **"Medical Institutions"** | Shengji Clinic and Shengji Online Hospital |
| **"Ms. Le"** | Ms. Le Xian (樂羨) |
| **"Ms. Zou"** | Ms. Zou Cheng (鄒程) |
| **"Negative List"** | the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition) (外商投資准入特別管理措施(負面清單)(2021)) |
| **"Opco Shares"** | existing share(s) in the share capital of the Operating Entity |

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| **"Operating Entity"** | Tian Jin Ruijinbao Internet Technology Co., Ltd.*（天津瑞津保網絡科技有限公司）, a company incorporated in the PRC with limited liability, and was owned as to 60% by Ms. Zou and 40% by Ms. Le as at the date of this announcement |
| **"Parties"** | the parties to the Share Purchase Agreement, being Ms. Zou and Ms. Le as the sellers and Core Squared Limited as the purchaser |
| **"Pledge of Shares Agreement"** | the two pledge of shares agreement（股權質押協議）dated 19 December 2023 and entered into among the WFOE, the Registered Owners, the Operating Entity and the Medical Institutions, details of which are set out under the section headed "Details of the Structured Contracts – (iv) Pledge of Shares Agreement" |
| **"Pledged Shares"** | has the meaning given to it under the section headed "Details of the Structured Contracts – (iv) Pledge of Shares Agreement" |
| **"Powers of Attorney on Shareholder Rights"** | the two powers of attorney on shareholder rights（股東權利委託協議）dated 19 December 2023 and granted by each of the Registered Owners and the Operating Entity in favour of the WFOE, details of which are set out under the section headed "Details of the Structured Contracts – (iii) Powers of Attorney on Shareholder Rights" |
| **"PRC"** | the People's Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| **"PRC Business"** | has the meaning given to it in the paragraph headed "THE CONTRACTUAL ARRANGEMENT – Background and reasons for the use of the Contractual Arrangement" |
| **"PRC Legal Adviser"** | Jingtian & Gongcheng, the PRC legal adviser of the Company |

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| **"Purchaser"** | Core Squared Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company |
| **"Registered Owners"** | Ms. Zou and Ms. Le |
| **"Sale Shares"** | 50,000 shares in the Target Company, representing the entire issued share capital of the Target Company, to be transferred from the Sellers to the Purchaser pursuant to the terms and conditions of the Share Purchase Agreement |
| **"Sellers"** | Ms. Zou and Ms. Le |
| **"Share(s)"** | ordinary share(s) of par value of one third Hong Kong cent each in the share capital of the Company |
| **"Share Purchase Agreement"** | the share purchase agreement dated 28 December 2023 and entered into between the Purchaser and the Sellers, pursuant to which the Purchaser has agreed to acquire, and the Sellers have agreed to sell, an aggregate of 100% of the issued share capital of the Target Company |
| **"Shareholder(s)"** | holders of the Shares |
| **"Shengji Clinic"** | Shengji (Tian Jin) Polyclinic Co., Ltd.* (盛濟(天津)綜合門診部有限公司), a company incorporated in the PRC with limited liability |
| **"Shengji Online Hospital"** | Tian Jin Shengji Online Hospital Co., Ltd.* (天津盛濟互聯網醫院有限公司), a company incorporated in the PRC with limited liability |

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| **"SJ Capital Investment"** | Sun Join Capital Investment Limited, a company incorporated under the laws of the British Virgin Islands and is wholly-owned by Ms. Zou |
| **"SJ Investment HK"** | Sun Join Investment Limited, a company incorporated in Hong Kong with limited liability and is directly wholly-owned by the Target Company |
| **"SJ Venture Management"** | Sun Join Venture Management Limited, a company incorporated under the laws of the British Virgin Islands and is wholly-owned by Ms. Le |
| **"Spouse"** | has the meaning given to it under the section headed "Details of the Structured Contracts – (v) Spouse Undertakings" |
| **"Spouse Undertakings"** | the spouse undertakings dated 19 December 2023（配偶承諾函）issued by the spouse of the Registered Owners, details of which are set out under the section headed "Details of the Structured Contracts – (v) Spouse Undertakings" |
| **"State Council"** | the State Council of the PRC（中華人民共和國國務院） |
| **"Stock Exchange"** | The Stock Exchange of Hong Kong Limited |
| **"Structured Contracts"** | collectively, the Exclusive Operations Services Agreement, the Exclusive Options Agreements, the Powers of Attorney on Shareholder Rights, the Pledge of Shares Agreement and the Spouse Undertaking |
| **"Target Company"** | Sun Join Investment Limited, a company incorporated in the British Virgin Islands with limited liability, and was owned as to 60% and 40% by Ms. Zou and Ms. Le, respectively, as at the date of this announcement |
| **"Target Group"** | the Target Company and its subsidiaries |

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| **“WFOE”** | Tianjin Shengji Corporate Management Co. Ltd.* (天津市盛濟企業管理有限公司), a company incorporated under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Target Company |
| **“%”** | per cent |

* *English names for identification purpose only*

By order of the Board
**C-Link Squared Limited**
**Ma Shengcong**
*Chairman of the Board and*
*executive Director*

Hong Kong, 28 December 2023

*As at the date of this announcement, the executive Directors are Mr. Ma Shengcong and Ms. Zhang Ying, the non-executive Directors are Mr. Ling Sheng Shyan and Dr. Wu Xianyi, and the independent non-executive Directors are Dr. Zeng Jianhua, Mr. Yang Junhui and Mr. Qian Jianguang.*