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Hygeia Healthcare Holdings Co., Limited
海吉亚医疗控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6078)

CONTINUING CONNECTED TRANSACTIONS
THE 2025 PROCUREMENT FRAMEWORK AGREEMENT WITH HANDAN RENHE HOSPITAL

THE 2025 PROCUREMENT FRAMEWORK AGREEMENT WITH HANDAN RENHE HOSPITAL

References are made to the 2023 Announcement in relation to the existing continuing connected transactions contemplated under the Existing Procurement Agreements.

For the better management of the procurement transactions between the Group and Handan Renhe Hospital, and given that the parties intend to extend the term for the transactions contemplated under the Existing Procurement Agreements, on May 29, 2025, Gamma Star Tech (for itself and on behalf of its subsidiaries), a wholly-owned subsidiary of the Company, and Handan Renhe Hospital have entered into the 2025 Procurement Framework Agreement, pursuant to which (i) Gamma Star Tech (for itself and on behalf of its subsidiaries) has agreed to supply, as required for the daily operation needs of Handan Renhe Hospital from time to time and within the scope of operation permit of Gamma Star Tech and its subsidiaries, Medicine and Medical Consumables, to Handan Renhe Hospital; and (ii) the parties have agreed that the Existing Procurement Agreements are terminated and replaced by the 2025 Procurement Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Handan Renhe Hospital is a private not-for-profit hospital in which Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) holds 30% organizer's interest (舉辦人權益) and hence an associate of Mr. Zhu and Ms. Zhu. Accordingly, Handan Renhe Hospital is a connected person of the Company under the Listing Rules and the transactions contemplated under the 2025 Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

As the highest applicable percentage ratio calculated in respect of the transactions contemplated under the 2025 Procurement Framework Agreement exceed 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

References are made to the 2023 Announcement in relation to the existing continuing connected transactions contemplated under the Existing Procurement Agreements.

THE 2025 PROCUREMENT FRAMEWORK AGREEMENT WITH HANDAN RENHE HOSPITAL

On November 30, 2023, Qihai Medicine and Jiangsu Medical, both wholly-owned subsidiaries of the Company, respectively entered in the Existing Procurement Agreements with Handan Renhe Hospital for a term of three years commencing from January 1, 2024 to December 31, 2026.

For the better management of the procurement transactions between the Group and Handan Renhe Hospital, and given that the parties intend to extend the term for the transactions contemplated under the Existing Procurement Agreements, on May 29, 2025, Gamma Star Tech (for itself and on behalf of its subsidiaries), a wholly-owned subsidiary of the Company, and Handan Renhe Hospital have entered into the 2025 Procurement Framework Agreement, pursuant to which (i) Gamma Star Tech (for itself and on behalf of its subsidiaries) has agreed to supply, as required for the daily operation needs of Handan Renhe Hospital from time to time and within the scope of operation permit of Gamma Star Tech and its subsidiaries, Medicine and Medical Consumables, to Handan Renhe Hospital; and (ii) the parties have agreed that the Existing Procurement Agreements are terminated and replaced by the 2025 Procurement Framework Agreement.

The principal terms of the 2025 Procurement Framework Agreement are set out below:

Date: May 29, 2025 ("**Effective Date**")

Parties: (1) Gamma Star Tech (for itself and on behalf of its subsidiaries)

(2) Handan Renhe Hospital

Term: From the Effective Date to December 31, 2027

Subject Matter: Pursuant to the 2025 Procurement Framework Agreement, Gamma Star Tech (for itself and on behalf of its subsidiaries) agreed to supply to Handan Renhe Hospital, as required for the daily operation needs of Handan Renhe Hospital, from time to time and within the scope of operation permit of Gamma Star Tech and its subsidiaries:

(i) Medicine (including, but not limited to, medicine for the treatment of breast cancer, ovarian cancer, gastric cancer, lung cancer, uremia and mental illness (such as Trastuzumab for Injection, Paclitaxel Injection, Recombinant Human Erythropoietin Injection (CHO Cell) and Olanzapine Tablets)); and

(ii) Medical Consumables (including, but not limited to, general consumables (for example, medical gauze, syringes and cotton swabs) and high value medical consumables (for example, dialyzers and hemoperfusion devices)).

Pricing Policy: The purchase prices for Medicine and Medical Consumables shall be on normal commercial terms and determined after arm's length negotiations between the parties. The prices for Medicine and Medical Consumables to be supplied by Gamma Star Tech and/or its subsidiaries under the 2025 Procurement Framework Agreement are subject to the rules and regulations promulgated by the national or local pricing authority(ies) and determined with reference to the government-prescribed prices set out in the Catalogues.

For Medicine and/or Medical Consumables not covered in the Catalogues, the prices shall be determined based on normal commercial terms after arm's length negotiation between the parties taking into account: (i) the nature and specification of Medicine and/or Medical Consumables; (ii) the market supply and demand situation; (iii) the procurement costs of Medicine and/or Medical Consumables; (iv) the volume of the purchase order; (v) the market share of Gamma Star Tech and its subsidiaries; (vi) the comparative prices offered by independent third parties to the other hospitals within the same region if such comparative prices are made public; and (vii) any other factors affecting prices of Medicine and/or Medical Consumables.

Such prices shall be no more favorable than the prices of the same Medicines and/or Medical Consumables offered by Gamma Star Tech and/or its subsidiaries to the other hospitals within the same region. Handan Renhe Hospital is not obliged to purchase Medicine and/or Medical Consumables from Gamma Star Tech and/or its subsidiaries if the prices offered by Gamma Star Tech and/or its subsidiaries differ significantly from the prevailing government-prescribed prices in the Catalogues or market prices, as the case may be.

Payment Terms: Handan Renhe Hospital shall settle the payment within 120 days following the date of receipt of Medicine and/or Medical Consumables purchased. The payment for Medicine and/or Medical Consumables will be settled by bank transfers or other payment methods as agreed by the parties.

Historical Transaction Amounts

The historical transaction amounts in relation to the procurement of Medicine paid by Handan Renhe Hospital under the Existing Renhe Medicine Procurement Agreement for the year ended December 31, 2024 and the four months ended April 30, 2025 was approximately RMB5.7 million and RMB1.7 million, respectively.

The historical transaction amounts in relation to the procurement of Medical Consumables paid by Handan Renhe Hospital under the Existing Renhe Medical Consumables Procurement Agreement for the year ended December 31, 2024 and the four months ended April 30, 2025 was approximately RMB8.0 million and RMB2.3 million, respectively.

As at the date of this announcement, (i) the aggregate transaction amounts for the transactions under the Existing Renhe Medicine Procurement Agreement have not exceeded the Existing Medicine Annual Caps; and (ii) the aggregate transaction amounts for the transactions under the Existing Renhe Medical Consumables Procurement Agreement have not exceeded the Existing Medical Consumables Annual Caps.

Proposed Annual Caps

The annual caps for the transactions contemplated under the 2025 Procurement Framework Agreement for the three years ending December 31, 2027 are as follows:

	Proposed annual caps		
	From the Effective Date to December 31, 2025	**For the year ending December 31, 2026**	**For the year ending December 31, 2027**
	(RMB in million)		
Total transaction amounts to be paid by Handan Renhe Hospital in respect of the procurement of Medicine	3.9	7.0	8.1
Total transaction amounts to be paid by Handan Renhe Hospital in respect of the procurement of Medical Consumables	5.0	9.2	10.6

The Proposed Annual Caps under the 2025 Procurement Framework Agreement were determined principally with reference to: (i) the historical transaction amounts in respect of the procurement of Medicine and Medical Consumables by Handan Renhe Hospital in 2024 and the first four months of 2025; (ii) the anticipated increase in demand for Medicine and Medical Consumables by Handan Renhe Hospital in light of the increase in number of patient visits as the patient satisfaction of Handan Renhe Hospital in the local area increased; (iii) the prevailing market prices of Medicine and Medical Consumables; and (iv) a buffer in preparation of unforeseeable circumstances, such as unexpected increase in demand for products and potential price fluctuations.

REASONS FOR AND BENEFITS FOR THE 2025 PROCUREMENT FRAMEWORK AGREEMENT

The procurement of Medicine and Medical Consumables for Handan Renhe Hospital are expected to carry out on a regular and continuing basis in the ordinary and usual course of business of the Group and Handan Renhe Hospital. The parties have entered into the 2025 Procurement Framework Agreement for the better management of all procurement transactions between Gamma Star Tech and its subsidiaries and Handan Renhe Hospital, as well as to extend the term to December 31, 2027 pursuant to the recurring nature of such transactions.

The Company believes that the 2025 Procurement Framework Agreement between Gamma Star Tech (for itself and on behalf of its subsidiaries) and Handan Renhe Hospital are commercially beneficial to the Group and its in-network hospitals as the entering of the 2025 Procurement Framework Agreement helps keep the centralization of procurement and provides a stable supply of Medicine and Medical Consumables to Handan Renhe Hospital, which promotes operational efficiency and enhances service level provided by Gamma Star Tech and/or its subsidiaries to the in-network hospitals as compared to purchasing from other external third-party suppliers. The entering of the 2025 Procurement Framework Agreement will also continue to improve the service quality of in-network hospitals and satisfy the increasing demands of patients.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the 2025 Procurement Framework Agreement are on normal commercial terms and the terms of the 2025 Procurement Framework Agreement and its new annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Zhu and Mr. Ren Ai (the husband of Ms. Zhu) are considered to have a material interest in the transactions contemplated under the 2025 Procurement Framework Agreement and have abstained from voting on the relevant resolutions. None of the other Directors has any material interest in the transactions contemplated under the 2025 Procurement Framework Agreement.

INTERNAL CONTROL MEASURES

In order to continue to effectively implement the 2025 Procurement Framework Agreement, the Company has adopted the following internal control measures:

(a) the financial department and other relevant departments of the Company will continuously inspect and regularly collect and evaluate the pricing policies, transaction terms and actual transaction amounts under the 2025 Procurement Framework Agreement to ensure that the transactions thereunder are conducted on normal commercial terms or on terms no more favorable than those available to independent third parties, and that the total transaction value of procurement of Medicine and Medical Consumables will not exceed the relevant annual cap before the relevant approval procedures; and

(b) the Company's auditors and the independent non-executive Directors will conduct annual review on the pricing policies, transaction terms and the annual caps under the 2025 Procurement Framework Agreement.

INFORMATION OF THE PARTIES

The Group

The Company was incorporated in Cayman Islands as an exempted company with limited liability on September 12, 2018, the shares of which are listed on the Stock Exchange. The Group is principally engaged in the provision of healthcare services in the PRC. As an oncology-focused healthcare group, the Group endeavors to make healthcare services more accessible and affordable (讓醫療更溫暖), addressing unmet demand of oncology patients in China.

Gamma Star Tech

Gamma Star Tech is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in hospital management and production of the Group's proprietary stereotactic radiotherapy equipment.

Handan Renhe Hospital

Handan Renhe Hospital is a private not-for-profit hospital established under the laws of the PRC and managed by the Group. It is held by Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) as to 30% organizer's interest (舉辦人權益), which is regarded as an associate of Mr. Zhu and Ms. Zhu, and hence a connected person of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Handan Renhe Hospital is a private not-for-profit hospital in which Xiangshang Investment (owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively) holds 30% organizer's interest (舉辦人權益) and hence an associate of Mr. Zhu and Ms. Zhu. Accordingly, Handan Renhe Hospital is a connected person of the Company under the Listing Rules and the transactions contemplated under the 2025 Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

As the highest applicable percentage ratio calculated in respect of the transactions contemplated under the 2025 Procurement Framework Agreement exceed 0.1% but all of the applicable percentage ratios are less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"2023 Announcement"	announcement of the Company dated November 30, 2023 in relation to, among others, the entering into of the Existing Procurement Agreements
"2025 Procurement Framework Agreement"	the 2025 Procurement Framework Agreement entered into by Gamma Star Tech (for itself and on behalf of its subsidiaries) and Handan Renhe Hospital on May 29, 2025
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company

"Catalogues"	the relevant Medicine Catalogue for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (基本醫療保險、工傷保險和生育保險藥品目錄) and Medical Consumables Catalogue for Basic Medical Insurance (基本醫療保險醫用耗材目錄)
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company"	Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on September 12, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Existing Annual Caps"	the Existing Medicine Annual Caps and the Existing Medical Consumables Annual Caps
"Existing Medical Consumables Annual Caps"	the existing maximum total amount of fees receivable by Jiangsu Medical from Handan Renhe Hospital under the Existing Renhe Medical Consumables Procurement Agreement for the three years ending December 31, 2026
"Existing Medicine Annual Caps"	the existing maximum total amount of fees receivable by Qihai Medicine from Handan Renhe Hospital under the Existing Renhe Medicine Procurement Agreement for the three years ending December 31, 2026
"Existing Procurement Agreements"	collectively, the Existing Renhe Medicine Procurement Agreement and the Existing Renhe Medical Consumables Procurement Agreement

"Existing Renhe Medical Consumables Procurement Agreement"	the Medical Consumables Procurement Framework Agreement (醫療耗材採購框架協議) entered into by Jiangsu Medical and Handan Renhe Hospital on November 30, 2023 for a term of three years commencing January 1, 2024 to December 31, 2026, details of which are set out in the 2023 Announcement
"Existing Renhe Medicine Procurement Agreement"	the Medicine Procurement Framework Agreement (藥品採購框架協議) entered into by Qihai Medicine and Handan Renhe Hospital on November 30, 2023 for a term of three years commencing January 1, 2024 to December 31, 2026, details of which are set out in the 2023 Announcement
"Gamma Star Tech"	Shanghai Gamma Star Technology Development Co., Ltd. (上海伽瑪星科技發展有限公司), a limited liability company established in the PRC on May 20, 2004 and a subsidiary of the Company
"Group"	the Company together with its subsidiaries
"Handan Renhe Hospital"	Handan Renhe Hospital* (邯鄲仁和醫院), a private not-for-profit hospital established under the laws of the PRC which the Group acquired on July 31, 2011
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiangsu Medical"	Jiangsu Hygeia Medical Equipment Co., Ltd.* (江蘇海吉亞醫療器材有限公司), a limited liability company established in the PRC on November 21, 2017, and a wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Medical Consumables"	the medical consumables to be supplied by Gamma Star Tech (and/or its subsidiaries) to Handan Renhe Hospital as required for the daily operation needs of Handan Renhe Hospital from time to time and within the scope of operation permit of Gamma Star Tech and its subsidiaries, includes but are not limited to, general consumables (for example, medical gauze, syringes and cotton swabs) and high value medical consumables (for example, dialyzers and hemoperfusion devices)

"Medicine"	the medicine to be supplied by Gamma Star Tech (and/or its subsidiaries) to Handan Renhe Hospital as required for the daily operation needs of Handan Renhe Hospital from time to time and within the scope of operation permit of Gamma Star Tech and its subsidiaries, includes but are not limited to, the medicine for the treatment of breast cancer, ovarian cancer, gastric cancer, lung cancer, uremia and mental illness (such as Trastuzumab for Injection, Paclitaxel Injection, Recombinant Human Erythropoietin Injection (CHO Cell) and Olanzapine Tablets)
"Mr. Zhu"	Mr. Zhu Yiwen (朱義文), father of Ms. Zhu, the founder of the Group, chairman of the Board, executive Director and one of the Controlling Shareholders
"Ms. Zhu"	Ms. Zhu Jianqiao (朱劍喬), daughter of Mr. Zhu and one of the Controlling Shareholders
"oncology"	the branch of medicine that deals with cancer
"percentage ratio"	the applicable percentage ratios under Rule 14.07 of the Listing Rules
"Proposed Annual Caps"	the maximum total amount of fees receivable by Gamma Star Tech and its subsidiaries from Handan Renhe Hospital under the 2025 Procurement Framework Agreement for the three years ending December 31, 2027 as stated under the section headed "Proposed Annual Caps" in this announcement
"Qihai Medicine"	Qihai (Chongqing) Medicine Limited* (棲海(重慶)醫藥有限公司), a limited liability company established in the PRC on August 11, 2021, and a wholly-owned subsidiary of the Company
"RMB"	the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.00001 each
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xiangshang Investment"	Shanghai Xiangshang Investment Development Co., Ltd.* (上海向上投資發展有限公司), a limited liability company established in the PRC on September 1, 2015 and owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively
"%"	per cent

By order of the Board
Hygeia Healthcare Holdings Co., Limited
Mr. Zhu Yiwen
Chairman

Hong Kong, May 29, 2025

As of the date of this announcement, the board of directors of the Company comprises Mr. Zhu Yiwen as chairman and executive director, Mr. Ren Ai, Ms. Cheng Huanhuan, Mr. Zhang Wenshan and Ms. Jiang Hui as executive directors, and Mr. Liu Yanqun, Mr. Zhao Chun and Mr. Ye Changqing as independent non-executive directors.

* *For identification purpose only*