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Xunfei Healthcare Technology Co., Ltd.
訊飛醫療科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2506)

REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the prospectus dated December 18, 2024 (the "**Prospectus**") of Xunfei Healthcare Technology Co., Ltd. (the "**Company**"), which contains, among other things, the continuing connected transaction framework agreements entered into between the Company and iFLYTEK. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

In view of the reasons stated in this announcement, on August 20, 2025, the Board approved the revisions to the annual caps under the Products Provision Framework Agreement, the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement for the years ending December 31, 2025 and December 31, 2026.

PRODUCTS PROVISION FRAMEWORK AGREEMENT

On December 10, 2024, the Company entered into the Products Provision Framework Agreement with iFLYTEK (for and on behalf of the iFlytek Group), pursuant to which, the Group will provide medical device products to iFlytek Group for resale at its self-managed offline stores and for its own use such as for employee benefits. The initial term of the Products Provision Framework Agreement shall commence on the listing date of the Company (i.e., December 30, 2024) until December 31, 2026. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Products Provision Framework Agreement.

Pricing policies

The product fee to be paid by iFlytek Group to us will be determined through arm's length negotiations between the relevant parties taking into account factors including market price of the relevant products and the price offered by us for online sales. The pricing terms under the Products Provision Framework Agreement shall be in line with the market rates and in the best interests of our Company and our Shareholders as a whole.

Existing annual caps and actual transaction amount

The existing annual caps under the Products Provision Framework Agreement are set out below:

	For the year ended December 31, 2024	**For the year ending December 31, 2025**	**For the year ending December 31, 2026**
	(RMB in millions)	*(RMB in millions)*	*(RMB in millions)*
Transaction amount	5.0	8.0	11.0

For the year ended December 31, 2024, the actual transaction amount incurred between the Group and iFlytek Group under the Products Provision Framework Agreement was approximately RMB3.0 million. For the period from January 1, 2025 to June 30, 2025, the actual transaction amount incurred between the Group and iFlytek Group under the Products Provision Framework Agreement amounted to approximately RMB7.3 million.

Revised annual caps and basis of determination

Taking into account that as the number of offline stores under iFlytek Group that have obtained medical devices sales qualifications continues to increase, the transaction scale between the Group and iFlytek Group under the Products Provision Framework Agreement has risen correspondingly, and the existing annual caps will be insufficient to meet the business needs of the Group, on August 20, 2025, the Board resolved to revise the annual caps under the Products Provision Framework Agreement for the years ending December 31, 2025 and December 31, 2026. Details of the revised annual caps are set out below:

	For the year ending December 31, 2025	**For the year ending December 31, 2026**
	(RMB in millions)	*(RMB in millions)*
Transaction amount	11.0	15.0

The revised annual caps were determined through arm's length negotiations between the Company and iFLYTEK, taking into account factors including market price of the relevant products and the price we offered to iFlytek Group for online sales. In determining the revised annual caps, we have considered, among other things, the following factors: (i) the historical transaction amounts and their historical growth; and (ii) the growing popularity of our hearing aid products, and the expected continuous increase in transaction volume in line with the anticipated expansion of our offline business and the expansion of iFlytek Group's offline business.

Save for the revised annual caps above, all other terms under the Products Provision Framework Agreement remain unchanged. For other details of the Products Provision Framework Agreement, please refer to the Prospectus.

Reasons for and benefits of revising the existing annual caps

The Group has strategically expanded into the medical devices market to further promote our brand reputation and reach individual customers. We provide our AI healthcare products, primarily consist of hearing aids, via e-commerce platforms, namely JD.com and Tmall, to end customers. For purpose of promoting our products through all channels, save for reaching customers through online channels, we also leverage on iFlytek Group's broad offline coverage to expand our offline presence and improve customer experience, assisting its stores in completing the application for medical devices retail qualifications. This cooperation model not only expands the market influence of our AI healthcare products, but also significantly promotes the growth of sales performance by optimizing customer experience.

SERVICES AND PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT

On December 10, 2024, the Company entered into the Services and Products Procurement Framework Agreement with iFLYTEK (for and on behalf of the iFlytek Group), pursuant to which, iFlytek Group will provide various supporting and ancillary services and products to the Group, including but not limited to (i) supporting technology and software services including but not limited to information technology, cloud service, general supporting technology model and resources to facilitate the development of technologies carried out by our own employees and other ancillary or supporting services and products, including maintenance for basic office automation systems and warehouse management services; and (ii) supporting administrative services such as human resources services, and hotline consultation and post-sale services. The initial term of the Services and Products Procurement Framework Agreement shall commence on the listing date of the Company until December 31, 2026. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Services and Products Procurement Framework Agreement.

Pricing policies

The service and product fee to be paid by us to iFlytek Group will be determined through arm's length negotiations between the relevant parties taking into account factors including nature, complexity and industry position of the services and products, transaction volume, anticipated costs borne by and fee rate of iFlytek Group, prevailing market price of comparable services and products, and shall be in line with fees offered by the iFlytek Group to Independent Third Parties (if applicable) or other members of iFlytek Group for similar services and products. The pricing terms under the Services and Products Procurement Framework Agreement shall be no less favorable than terms available to Independent Third Parties (if applicable) and the service and product fee is at least in line with the market rates (if any) and in the best interests of our Company and our Shareholders as a whole.

Existing annual caps and actual transaction amount

The existing annual caps under the Services and Products Procurement Framework Agreement are set out below:

	For the year ended December 31, 2024	**For the year ending December 31, 2025**	**For the year ending December 31, 2026**
	(RMB in millions)	*(RMB in millions)*	*(RMB in millions)*
Transaction amount	82.0	97.0	113.0

For the year ended December 31, 2024, the actual transaction amount incurred between the Group and iFlytek Group under the Services and Products Procurement Framework Agreement was approximately RMB79.4 million. For the period from January 1, 2025 to June 30, 2025, the actual transaction amount incurred between the Group and iFlytek Group under the Services and Products Procurement Framework Agreement amounted to approximately RMB43.2 million.

Revised annual caps and basis of determination

Taking into account that as the iteration and advancement of core technologies and products have led to a rising demand for high-performance computing resources and basic R&D service resources – including the continuous upgrading of the Spark Medical Model and the rapid development of core business segments such as AI medical assistant for primary care and hospital ends, patient management, and Xunfei Xiaoyi – the transaction scale between the Group and iFlytek Group under the Services and Products Procurement Framework Agreement has risen correspondingly, and the existing annual caps will be insufficient to meet the Group's business needs, on August 20, 2025, the Board resolved to revise the annual caps under the Services and Products Procurement Framework Agreement for the years ending December 31, 2025 and December 31, 2026. Details of the revised annual caps are set out below:

	For the year ending December 31, 2025	**For the year ending December 31, 2026**
	(RMB in millions)	*(RMB in millions)*
Transaction amount	130.0	160.0

The revised annual caps are determined by the Company and iFLYTEK through arm's length negotiations, after taking into account factors such as the nature, complexity and industry position of the services and products, transaction volume, anticipated costs borne by and fee rate of iFlytek Group, prevailing market price of comparable services and products, and shall be in line with fees offered by the iFlytek Group to Independent Third Parties (if applicable) or other members of iFlytek Group for similar services and products. In determining the revised annual caps, we have considered, among other things, the following factors: (i) the historical transaction amounts; and (ii) the Group's estimated demand for such services and products, the expected growth of our operational scale and the continuous development of our business.

Save for the revised annual caps above, all other terms under the Services and Products Procurement Framework Agreement remain unchanged. For other details of the Services and Products Procurement Framework Agreement, please refer to the Prospectus.

Reasons for and benefits of revising the existing annual caps

The Group continuously procures relevant services and products from iFlytek Group to satisfy our business and operational needs. The Group maintains steady collaboration with iFlytek Group, a leading enterprise in the AI field. iFlytek Group has long been committed to the research and development of core AI technologies, with profound accumulation in

key technical areas such as intelligent speech recognition, natural language processing, machine learning and reasoning, and autonomous learning. Based on this, the two parties have established a long-term and stable strategic cooperative relationship. iFlytek Group can meet our needs with stable and high-quality AI and computing power services, effectively promoting technological breakthroughs, industrial upgrading and business model innovation in the domestic medical field. The Group utilizes iFlytek Group's mature project-based human resource scheduling system, implements dynamic and precise allocation of human resources according to the actual needs of projects, and effectively breaks through traditional departmental boundaries through the project cost settlement mechanism. This facilitates the efficient reuse of human resources and the intensive management and control of human resource costs, effectively reducing the Company's operating costs.

BIDDING COOPERATION FRAMEWORK AGREEMENT

On December 10, 2024, the Company entered into the Bidding Cooperation Framework Agreement with iFLYTEK (for and on behalf of the iFlytek Group), pursuant to which, the parties agreed to cooperate with each other to bid for certain projects owned or initiated by independent third parties. Subject to the terms and conditions of the projects and in compliance with relevant laws and regulations, the Group and iFlytek Group may initiate bidding and agree on the form of cooperation. Subject to requirements imposed by the project owners, the form of cooperation may include: (i) for the iFlytek Group to bid for the projects and subcontract the parts of the projects related to our principal business (the "**Group-related Parts**") to the Group. iFlytek Group and the Group will enter into arrangements for the provision of relevant products and services by our Group to iFlytek Group under the projects; and (ii) for the Group and iFlytek Group to jointly bid for the projects. The Group will be responsible for the Group-related Parts. The total consideration to be paid by the project owners will be settled between iFlytek Group and our Group. The initial term of the Bidding Cooperation Framework Agreement shall commence on the listing date until December 31, 2026. Relevant subsidiaries of both parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Bidding Cooperation Framework Agreement.

Pricing policies

The bidding quotation offered by iFlytek Group and/or our Group will be jointly determined by our Group and iFlytek Group taking into consideration project scale, complexity, delivery time required and estimated costs and expense. Both parties agree that the Group-related Parts will be directed to us by iFlytek Group on a no profit basis. We will only enter into definitive agreement with iFlytek Group under the principles of the Bidding Cooperation Agreement when the terms are in the best interests of our Company and our Shareholders as a whole.

Existing annual caps and actual transaction amount

The existing annual caps under the Bidding Cooperation Framework Agreement are set out below:

	For the year ended December 31, 2024	For the year ending December 31, 2025	For the year ending December 31, 2026
	(RMB in millions)	*(RMB in millions)*	*(RMB in millions)*
Transaction amount	60.0	32.0	30.0

For the year ended December 31, 2024, the actual transaction amount incurred between the Group and iFlytek Group under the Bidding Cooperation Framework Agreement was approximately RMB46.7 million. For the period from January 1, 2025 to June 30, 2025, the actual transaction amount incurred between the Group and iFlytek Group under the Bidding Cooperation Framework Agreement amounted to approximately RMB31.9 million.

Revised annual caps and basis of determination

Taking into account that government projects, especially special bond projects in the field of people's livelihood, will package businesses such as education, healthcare and smart cities into unified tender processes. In addition, regional governments that have established strategic cooperation with iFlytek Group usually require iFlytek Group to sign business cooperation agreements in a unified way. The Group, as a supplier of iFlytek Group, provides products and services related to the medical field. The business growth under this model has led to a corresponding increase in the transaction scale between the Group and iFlytek Group under the Bidding Cooperation Framework Agreement, and the existing annual caps will be insufficient to meet the Group's business needs. On August 20, 2025, the Board resolved to revise the annual caps under the Bidding Cooperation Framework Agreement for the years ending December 31, 2025 and December 31, 2026. Details of the revised annual caps are set out below:

	For the year ending December 31, 2025	For the year ending December 31, 2026
	(RMB in millions)	*(RMB in millions)*
Transaction amount	110.0	130.0

The revised annual caps were determined by the Company and iFLYTEK after arm's length negotiations. The bidding quotation offered by iFlytek Group and/or the Group will be jointly determined by the Group and iFlytek Group taking into consideration project scale, complexity, delivery time required and estimated costs and expense. In determining the revised annual caps, we have considered, among other things, the following factors: (i) the historical transaction amounts; and (ii) the expected expansion of geographical coverage by the Group and the business development of the Group.

Save for the revised annual caps above, all other terms under the Bidding Cooperation Framework Agreement remain unchanged. For other details of the Bidding Cooperation Framework Agreement, please refer to the Prospectus.

Reasons for and benefits of revising the existing annual caps

Under the conventional business model, we usually undertake projects independently. However, in specific circumstances (such as when government departments or their affiliated entities act as clients), project tenderers often put forward special requirements, including but not limited to: (i) requiring the bidder to have the ability to provide cross-domain integrated solutions, which may involve services or products beyond our existing business scope; and (ii) putting forward clear requirements for the local geographical coverage of the bidding entity. To effectively meet these needs, we have established a strategic cooperative relationship with iFlytek Group. By integrating its diversified business layout and extensive regional coverage advantages, we can provide customers with comprehensive and more competitive solutions, thereby significantly improving the project winning rate and implementation efficiency. This cooperation can effectively expand the Company's opportunities to participate in relevant projects, and at the same time, the Company will take the lead in the implementation of projects within its own business scope.

OPINION OF THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the revisions to the annual caps under the Products Provision Framework Agreement, the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the transactions contemplated thereunder are conducted on normal commercial terms in the ordinary and usual course of business of the Company. As Dr. Liu Qingfeng, Mr. Duan Dawei and Mr. Zhao Zhiwei hold directorships and senior management positions at iFLYTEK, they have abstained from voting on the Board resolutions regarding the revisions to the annual caps under the Products Provision Framework Agreement, the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement. Save as disclosed above, no other Director has a material interest in the Products Provision Framework Agreement, the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement and the transactions contemplated thereunder that would require them to abstain from voting on the relevant Board resolutions.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, iFLYTEK is the controlling shareholder of the Company, holding approximately 49.42% of the equity interest in the Company. Under Chapter 14A of the Listing Rules, iFLYTEK is a connected person of the Company. Therefore, the transactions under the Products Provision Framework Agreement, the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Products Provision Framework Agreement, as one or more of the applicable percentage ratios for the revised annual caps thereunder exceed 0.1% but are less than 5%, the transactions under the Products Provision Framework Agreement are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

In respect of the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement, as one or more of the applicable percentage ratios for the revised annual caps thereunder exceed 5%, the transactions under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement are subject to the independent shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is a leader in China's AI healthcare sector, and committed to becoming an AI medical assistant for every doctor and an AI health partner for everyone. Leveraging medical large model technology and the construction of a medical knowledge base, the Company consistently maintains its leading position in medical large models. The Company has created the Intelligent Assistant product series and the Intelligent Health Partner product series to empower government, business and consumers with AI.

iFLYTEK

iFLYTEK, the controlling shareholder of the Company, a leading AI company focused on research and development of core AI technology, with its shares listed on the Shenzhen Stock Exchange (stock code: 002230). iFLYTEK focuses on the R&D of core AI technology including smart speech, natural language understanding, machine learning and reasoning and independent learning.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established an independent board committee, comprising Prof. Wang Yang, Prof. Zhao Huifang and Mr. Tan Ching (all being independent non-executive Directors), to advise the independent shareholders on the revised annual caps under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement.

The Company has appointed Altus Capital Limited as the independent financial adviser to advise the independent board committee and the independent shareholders on the revised annual caps under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened by the Company to consider and, if thought fit, approve the proposed resolutions regarding the revised annual caps under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement. A notice of the extraordinary general meeting will be despatched to the Shareholders as soon as practicable.

As at the date of this announcement, iFLYTEK is the controlling shareholder of the Company, holding approximately 49.42% of the equity interest in the Company. As it has a material interest in the resolutions, iFLYTEK will be required to abstain from voting on the resolutions to approve the revised annual caps under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement at the extraordinary general meeting. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed in this announcement, no other Shareholders are required to abstain from voting at the extraordinary general meeting.

As additional time is required for the preparation and finalization of the contents, a circular containing, among other things, details of the revised annual caps under the Services and Products Procurement Framework Agreement and the Bidding Cooperation Framework Agreement, the letter from the independent board committee setting out its opinion and recommendation on the revised annual caps thereunder, the letter of advice from the independent financial adviser to the independent board committee and the independent shareholders regarding its opinion on the revised annual caps thereunder, other relevant information as required by the Listing Rules and the notice of the extraordinary general meeting, is expected to be despatched to the Shareholders on or before October 20, 2025.

By order of the Board
Xunfei Healthcare Technology Co., Ltd.
Dr. Tao Xiaodong
Executive Director

Hong Kong, August 20, 2025

As at the date of this announcement, the Board of the Company comprises: (i) Dr. Tao Xiaodong as executive director; (ii) Dr. Liu Qingfeng, Mr. Zhao Zhiwei and Mr. Duan Dawei as non-executive directors; and (iii) Prof. Wang Yang, Prof. Zhao Huifang and Mr. Tan Ching as independent non-executive directors.