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廣東康華醫療集團股份有限公司

GUANGDONG KANGHUA HEALTHCARE GROUP CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3689)

**MAJOR AND CONNECTED TRANSACTIONS
THE 2026 LEASE AGREEMENTS**

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



RAINBOW CAPITAL (HK) LIMITED
流 博 資 本 有 限 公 司

THE 2026 LEASE AGREEMENTS

Reference is made to the Previous Disclosure relating to the Group's lease of properties underlying the operations of Kanghua Hospital and Renkang Hospital from certain connected persons of the Company. As the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement are due to expire on 31 December 2025, the parties have entered into the 2026 Lease Agreements to ensure the relevant members of the Group, as the lessee, will continue to benefit from the use of the properties underlying its relevant operations for a term of three years from 1 January 2026 to 31 December 2028 (both days inclusive).

LISTING RULES IMPLICATIONS

Pursuant to IFRS16, the entering into of the 2026 Lease Agreements by members of the Group as a lessee will require the Company to recognise the right-of-use of the properties under the 2026 Lease Agreements as right-of-use assets of an estimated aggregate value of approximately RMB257.3 million (aggregated pursuant to Rules 14A.81 and 14A.82 of the Listing Rules) on its consolidated statement of financial position. Accordingly, the entering into of the 2026 Lease Agreements and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules. As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the acquisition of right-of-use assets to be recognized by the Group under the 2026 Lease Agreements exceeds 25% but is less than 100%, the 2026 Lease Agreements and the transactions contemplated thereunder constitute a major transaction for the Company and is subject to the reporting, announcement, circular, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, each of Kanghua Group and Tongli Enterprise is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the 2026 Lease Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules, which are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company has appointed Rainbow Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2026 Lease Agreements. An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Resolutions. A Circular containing further information, including a letter from the Independent Board Committee and a letter from the independent financial adviser is expected to be dispatched to the Shareholders within 15 business days after the publication of this announcement (i.e., on or before 15 January 2026).

1. THE 2026 LEASE AGREEMENTS

Reference is made to the Previous Disclosure relating to the Group's lease of properties underlying the operations of Kanghua Hospital and Renkang Hospital from certain connected persons of the Company. As each of the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement is due to expire on 31 December 2025, the parties have entered into the 2026 Lease Agreements to ensure the relevant members of the Group, as the lessee, will continue to benefit from the use of the properties underlying its relevant operations for a term of three years from 1 January 2026 to 31 December 2028 (both days inclusive).

With respect to the 2026 Renkang Elderly Care Centre Lease Agreement, the subject matter of the lease was previously covered under the Renkang Hospital Lease Agreement, as the Group initially operated its elderly care business directly through the hospital entity. As such business continued to grow and became a standalone business segment of the Group, Renkang Hospital had established a wholly-owned subsidiary, Renkang Elderly Care Centre, to operate such business. With a view to streamlining the structure and reporting of the Group's elderly care business as a standalone business segment, the 2026 Renkang Elderly Care Centre Lease Agreement was entered into as a separate lease agreement with Tongli Enterprise (as the lessor) in anticipation of the expiry of the Renkang Hospital Lease Agreement.

The rents payable under the 2026 Lease Agreements are fixed rents and do not involve any variable rents.

1.1 The 2026 Kanghua Hospital Lease Agreement

The principal terms of the 2026 Kanghua Hospital Lease Agreement are set out below:

Date	:	22 December 2025			
Parties	:	Kanghua Group (as lessor) Kanghua Hospital (as lessee)			
Location of the property	:	Dongguan Avenue, Nancheng District, Dongguan City* (東莞市南城區東莞大道)			
Term of the lease	:	1 January 2026 to 31 December 2028 (both days inclusive)			
Total lettable floor area subject to the lease	:	356,587.70 square meters			
Rent	:	For the year ending 31 December			
		2026	2027	2028	
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		Annual rent	72,001	75,601	79,381
		Monthly rent	6,000	6,300	6,615

Historical transaction amounts	:	For the year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>

Annual rent	47,947	51,303	54,894
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Note: This represents the historical transaction amounts paid by Kanghua Hospital to Kanghua Group under the Kanghua Hospital Lease Agreement.

Payment terms : The rent shall be paid monthly. The rent for each month must be paid before the 30th day of that month.

Condition precedent : The Company having fulfilled its obligations under the Listing Rules, including but not limited to obtaining approval from the Independent Shareholders.

1.2 The 2026 Renkang Hospital Lease Agreement

The principal terms of the 2026 Renkang Hospital Lease Agreement are set out below:

Date : 22 December 2025

Parties : Tongli Enterprise (as lessor)

Renkang Hospital (as lessee)

Location of the property : No. 88 Dongxi Road, Xitou Village, Houjie Town, Dongguan City* (東莞市厚街鎮溪頭村東溪路88號)

Term of the lease : 1 January 2026 to 31 December 2028 (both days inclusive)

Total lettable floor area subject to the lease : 69,758.54 square meters

Rent	:	For the year ending 31 December		
		2026	2027	2028
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>

Annual rent	13,394	14,063	14,766
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Monthly rent	1,116	1,172	1,231
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Historical transaction amounts	:	For the year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000

Annual rent	8,659	9,739	10,927
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Note: This represents the historical transaction amounts paid by Renkang Hospital to Tongli Enterprise under the Renkang Hospital Lease Agreement.

- Payment terms : The rent shall be paid monthly. The rent for each month must be paid before the 30th day of that month.
- Condition precedent : The Company having fulfilled its obligations under the Listing Rules, including but not limited to obtaining approval from the Independent Shareholders.

1.3 The 2026 Renkang Elderly Care Centre Lease Agreement

The principal terms of the 2026 Renkang Elderly Care Centre Lease Agreement are set out below:

- Date : 22 December 2025
- Parties : Tongli Enterprise (as lessor)
Renkang Elderly Care Centre (as lessee)
- Location of the property : No. 88 Dongxi Road, Xitou Village, Houjie Town, Dongguan City* (東莞市厚街鎮溪頭村東溪路88號)
- Term of the lease : 1 January 2026 to 31 December 2028 (both days inclusive)
- Total lettable floor area subject to the lease : 3,865.16 square meters

Rent	:	For the year ending 31 December		
		2026	2027	2028
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	Annual rent	775	813	854
	Monthly rent	65	68	71
Historical transaction amounts	:	No historical transaction amount under this lease as the subject matter of this lease was previously covered under the Renkang Hospital Lease Agreement.		
Payment terms	:	The rent shall be paid monthly. The rent for each month must be paid before the 30th day of that month.		
Condition precedent	:	The Company having fulfilled its obligations under the Listing Rules, including but not limited to obtaining approval from the Independent Shareholders.		

2. REASONS FOR AND BENEFITS OF THE 2026 LEASE AGREEMENTS

The Group operates Kanghua Hospital, Renkang Hospital and Renkang Elderly Care Centre in Dongguan, Guangdong province, the PRC. Each of them does not own the land and buildings underlying its operations. Therefore, the 2026 Lease Agreements are critical for their uninterrupted and continued operations.

As discussed in “1. The 2026 Lease Agreements”, Renkang Elderly Care Centre was established as a wholly-owned subsidiary of Renkang Hospital and a standalone entity to operate the Group’s elderly care business segment. The site area currently occupied by Renkang Elderly Care Centre (which is located in the premises of Renkang Hospital) was previously covered under the Renkang Hospital Lease Agreement. With a view to streamlining the structure and reporting of the Group’s elderly care business as a standalone business segment, the 2026 Renkang Elderly Care Centre Lease Agreement, was entered into as a separate lease agreement with Tongli Enterprise (as the lessor) in anticipation of the expiry of the Renkang Hospital Lease Agreement.

The Directors (excluding the independent non-executive Directors who will express their views after taking into account the advice of the independent financial adviser) consider that transactions contemplated under the 2026 Lease Agreements were entered into in the ordinary and usual course of business of the Group and their terms (including in particular, the rent) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. In particular, the terms of the 2026 Lease Agreements were determined after arm's length negotiation between the parties and the rent was determined with reference to the following:

- (i) prevailing market rent of comparable properties in the vicinity. The Company has engaged an independent valuer to perform a valuation on the monthly rent; as at 30 November 2025, the monthly market rent for (a) the properties under the 2026 Kanghua Hospital Lease Agreement was valued at RMB6,029,000; (b) the properties under the 2026 Renkang Hospital Lease Agreement was valued at RMB1,123,000; and (c) the properties under the 2026 Renkang Elderly Care Centre Lease Agreement was valued at RMB64,900, which was consistent with the rent level agreed under the 2026 Lease Agreements. The valuer has valued the properties by using market approach by making reference to asking comparables as available in the open market; and
- (ii) factoring a 5% increment for each of 2027 and 2028 in line with the GDP growth target of the PRC.

3. LISTING RULES IMPLICATIONS

IFRS 16 and acquisition of right-of-use assets

Pursuant to IFRS16, the entering into of the 2026 Lease Agreements by members of the Group as a lessee will require the Company to recognise the right-of-use of the relevant properties under the 2026 Lease Agreements. Accordingly, the entering into of the 2026 Lease Agreements and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Company under the Listing Rules. For the purpose of Rules 14A.81 and 14A.82 of the Listing Rules, the rights of use assets to be recognized under 2026 Lease Agreements have been aggregated.

Right-of-use assets of an estimated aggregate value of approximately RMB257.3 million is expected to be recognised on the Company's consolidated statement of financial position.

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the acquisition of right-of-use assets to be recognized by the Company under the 2026 Lease Agreements exceeds 25% but is less than 100%, the 2026 Lease Agreements and the transactions contemplated thereunder constitute a major transaction for the Company and is subject to the reporting, announcement, circular, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Connected transactions

To the best of the Company's knowledge, as at the date of this announcement, each of Kanghua Group and Tongli Enterprise is a connected person of the Company:

- As Kanghua Group holds more than 10% of the total issued share capital of the Company, it is a substantial Shareholder and a connected person under Rule 14.07(1) of the Listing Rules.
- Members of the Wang Family including the executive Directors of the Company (namely Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin) control more than 50% of equity interest in Tongli Enterprise, Tongli Enterprise is regarded as a connected person under Rule 14.07(4) of the Listing Rules.

Accordingly, the 2026 Lease Agreements, being the Group's transactions with (i) Kanghua Group under the 2026 Kanghua Hospital Lease Agreement; (ii) Tongli Enterprise under the 2026 Renkang Hospital Lease Agreement; and (iii) Tongli Enterprise under the 2026 Renkang Elderly Care Centre Lease Agreement, constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company has appointed Rainbow Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2026 Lease Agreements. An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Resolutions. A Circular containing further information, including a letter from the Independent Board Committee and a letter from the independent financial adviser is expected to be dispatched to the Shareholders within 15 business days after the publication of this announcement (i.e., on or before 15 January 2026).

As (a) Mr. Wang Junyang is interested in Kanghua Group and Tongli Enterprise; and (b) each of Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin is interested in Tongli Enterprise, each of Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin, being an executive Director, is considered to have a material interest in the 2026 Lease Agreements and has abstained from voting on the board resolutions concerning the same.

4. GENERAL

The Group is principally engaged in the provision of hospital services, provision of rehabilitation and other healthcare services, provision of haemodialysis services and provision of elderly healthcare services in the PRC.

Kanghua Hospital (the operations of which located in Nancheng District, Dongguan, Guangdong Province) and Renkang Hospital (the operations of which are located in Houjie Town, Dongguan, Guangdong Province) are general hospitals owned and operated by the Group. Both of which comprise the hospital services segment of the Group.

Renkang Elderly Care Centre (the operations of which are located in the premises of Renkang Hospital) is an elderly care provider owned and operated by the Group. It represents the elderly healthcare services segment of the Group.

Each of Kanghua Group and Tongli Enterprise is a limited liability company established in the PRC and is principally engaged in investment holding.

5. DEFINITIONS

“2026 Kanghua Hospital Lease Agreement”	The lease agreement entered into between Kanghua Hospital (as lessee) and Kanghua Group (as lessor) as more particularly set out in “1.1 The 2026 Kanghua Hospital Lease Agreement”
“2026 Lease Agreements”	collectively, the 2026 Kanghua Hospital Lease Agreement, the 2026 Renkang Hospital Lease Agreement and the 2026 Renkang Elderly Care Centre Lease Agreement
“2026 Renkang Elderly Care Centre Lease Agreement”	The lease agreement entered into between Renkang Elderly Care Centre (as lessee) and Tongli Enterprise (as lessor) as more particularly set out in “1.3 The 2026 Renkang Elderly Care Centre Lease Agreement”
“2026 Renkang Hospital Lease Agreement”	The lease agreement entered into between Renkang Hospital (as lessee) and Tongli Enterprise (as lessor) as more particularly set out in “1.2 The 2026 Renkang Hospital Lease Agreement”

“Circular”	the circular of the Company to be dispatched to the Shareholders containing, among other things, further information of the 2026–2028 annual lease payments under the 2026 Kanghua Hospital Lease Agreement, 2026 Renkang Hospital Lease Agreement and 2026 Renkang Elderly Care Centre Lease Agreement, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the notice convening the EGM
“Company”	Guangdong Kanghua Healthcare Group Co., Ltd.* (廣東康華醫療集團股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (Stock code: 3689)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Resolutions
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Independent Board Committee”	the independent board committee established by the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders regarding the relevant resolutions to be proposed at the EGM to approve the 2026 Lease Agreements
“Independent Shareholders”	Shareholders other than those who have a material interest in the Resolutions and are required to abstain from voting on the Resolutions at the EGM

“Kangdi Enterprise”	Kangdi Enterprise Co., Ltd.* (康帝實業有限公司), a limited liability company established in the PRC on 25 July 2014 with 50% of its equity interest held by Mr. Wang Zhengren and 50% by Mr. Wang Yiren, all of whom are members of the Wang Family, being cousins of Mr. Wang Junyang. Kangdi Enterprise holds a 15% equity interest in Renkang Hospital
“Kanghua Group”	Dongguan Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司), a limited liability company established in the PRC on 29 March 2002 and a controlling shareholder holding approximately 59.06% interest in the Company. It is owned as to 97.46% by Mr. Wang Junyang and as to 2.54% by Mr. Wang Jiawei
“Kanghua Hospital”	Dongguan Kanghua Hospital Co., Ltd.* (東莞康華醫院有限公司), a limited liability company established in the PRC on 15 September 2005 and a wholly-owned subsidiary of the Company
“Kanghua Hospital Lease Agreement”	the lease agreement dated 10 April 2016 entered into between Kanghua Hospital and Kanghua Group, the key terms of which are set out under “Connected Transactions – Non-exempt continuing connected transactions – 1. The Kanghua Hospital Lease Agreement” in the Prospectus
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Disclosure”	previous disclosure made by the Company relating to the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement, including (i) the section headed “Connected Transactions – Non-exempt continuing connected transactions” in the Prospectus; and (ii) the announcements of the Company dated 19 December 2018, 23 December 2021, 16 December 2022, 6 February 2023, respectively

“Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Resolutions
“Renkang Elderly Care Centre”	Dongguan Renkang Elderly Care Centre Co., Ltd. (東莞仁康護理院有限公司), a limited liability company established in the PRC on 27 September 2017 and a wholly-owned subsidiary of Renkang Hospital
“Renkang Hospital”	Dongguan Renkang Hospital Co., Ltd.* (東莞仁康醫院有限公司), a limited liability company established in the PRC on 23 August 2005 with 57% of its equity interest being held by the Company, 15% by Kangdi Enterprise, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively
“Renkang Hospital Lease Agreement”	the lease agreement dated 10 April 2016 entered into between Renkang Hospital and Tongli Enterprise, the key terms of which are set out under “Connected Transactions – Non-exempt continuing connected transactions – 2. The Renkang Hospital Lease Agreement” in the Prospectus
“Resolutions”	the relevant resolutions to be proposed at the EGM to approve the 2026 Lease Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Prospectus”	the prospectus of the Company dated 27 October 2016
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tongli Enterprise”

Dongguan Tongli Enterprise Co., Ltd.* (東莞市同力實業有限公司), a limited liability company established in the PRC on 23 June 2003. Tongli Enterprise has no shareholder that holds more than 30% of its equity interest. It is ultimately owned by members of the Wang Family, including the executive Directors of the Company (namely Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin)

“Wang Family”

the family members of the founder of the Group, the late Mr. Wang Jincheng, including (i) his children; (ii) his siblings; (iii) the spouses of his siblings; and (iv) the children of his siblings

“%”

per cent

By order of the Board
Guangdong Kanghua Healthcare Group Co., Ltd.*
WANG Junyang
Chairman

Hong Kong
22 December 2025

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wang Junyang (*Chairman*)
Mr. Chen Wangzhi (*Chief executive officer*)
Mr. Wong Wai Hung (*Vice chairman*)
Ms. Wang Aiqin

Independent non-executive Directors:

Dr. Chen Keji
Ms. Lam Shiu Ling Cecilia
Mr. Chan Sing Nun

Non-executive Director:

Mr. Jiang Xiwen

* For identification purposes only