
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Guangdong Kanghua Healthcare Group Co., Ltd.***, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

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



Capitalised terms on this cover page shall have the same meanings as those defined in “Definitions” in this circular.

A letter from the Board is set out on pages 6 to 18 of this circular.

A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 19 to 20 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 37 of this circular.

A notice convening the EGM to be held at Meeting Room 1, 2nd Floor of Dongguan Kanghua Hospital Administration Center in 1000 Dongguan Avenue, Nancheng District, Dongguan, Guangdong Province, PRC on Tuesday, 3 March 2026 at 3:00 p.m. is set out on pages 68 to 70 of this circular.

A form of proxy for use at the EGM is enclosed and is also published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and of the Company (www.kanghuagp.com). Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the EGM (i.e. before 3:00 p.m. on 2 March 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

All times and dates specified herein refers to Hong Kong local times and dates.

* for identification purposes only

4 February 2026

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

“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 “Letter from the Board – 2.1 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 “Letter from the Board – 2.3 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 “Letter from the Board – 2.2 The 2026 Renkang Hospital Lease Agreement”
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 Hong Kong Stock Exchange (Stock code: 3689)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded in any stock exchange

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at Meeting Room 1, 2nd Floor of Dongguan Kanghua Hospital Administration Center in 1000 Dongguan Avenue, Nancheng District, Dongguan, Guangdong Province, PRC on Tuesday, 3 March 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the 2026 Lease Agreements and the respective transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

DEFINITIONS

“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
“independent third party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries, and their respective connected persons, ultimate beneficial owner(s) or associates
“Latest Practicable Date”	2 February 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“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
“Prospectus”	the prospectus of the Company dated 27 October 2016
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“subsidiary”	has the meaning as ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Junyang (*Chairman*)
Mr. Chen Wangzhi (*Chief Executive Officer*)
Mr. Wong Wai Hung (*Vice Chairman*)
Ms. Wang Aiqin

Non-Executive Director:

Mr. Jiang Xiwen

Independent Non-executive Directors:

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

Registered office:

3/F, Outpatient Zone One
Dongguan Kanghua Hospital
Nancheng Street Road
Dongguan Guangdong Province
PRC

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

1000 Dongguan Avenue
Dongguan Guangdong Province
PRC

Principal Place of Business in Hong Kong:

Unit 3207, Metroplaza Tower 2
223 Hing Fong Road
Kwai Fong, New Territories
Hong Kong

4 February 2026

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTIONS
THE 2026 LEASE AGREEMENTS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made the announcement of the Company dated 22 December 2025 relating to the 2026 Lease Agreements.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further information on the 2026 Lease Agreements and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee; (iii) the advice from the Independent Financial Adviser; and (iv) a notice convening the EGM.

2. THE 2026 LEASE AGREEMENTS

For more context, reference is also 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. The Group operates Kanghua Hospital and Renkang Hospital on lands and building leased from its connected persons. For the purpose of the listing of the Company in 2016, the Group entered into the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement for a 10-year term with a view to ensuring uninterpreted operations of Kanghua Hospital and Renkang Hospital. The relevant annual caps were renewed every three years, the details of which were set out in the Previous Disclosure. Each of Kanghua Hospital Lease Agreement and Renkang Hospital Lease Agreement had expired as at 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.

LETTER FROM THE BOARD

2.1 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: (a) Kanghua Group (as lessor)
(b) 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)

Actual usable floor area under 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

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.

Other fees: No management fees or other material expenses are contemplated under the lease.

Usage: For the operations of Kanghua Hospital and staff accommodation.

LETTER FROM THE BOARD

Termination:	The landlord may terminate the lease agreement if (i) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (ii) the tenant uses the premises for illegal purposes.
Renewal:	Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.
First right of refusal:	If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).
Maintenance:	During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.
Condition precedent:	The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025, despatching of this circular and obtaining approval from the Independent Shareholders.

2.2 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:	(a) Tongli Enterprise (as lessor) (b) 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)
Actual usable floor area under the lease:	69,758.54 square meters

LETTER FROM THE BOARD

Rent:	For the year ending 31 December		
	2026	2027	2028
	RMB'000	RMB'000	RMB'000
Annual rent	13,394	14,063	14,766
Monthly rent	1,116	1,172	1,231

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

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.

Other fees: No management fees or other material expenses are contemplated under the lease.

Usage: For the operations of Renkang Hospital and staff accommodation.

Termination: The landlord may terminate the lease agreement if (i) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (ii) the tenant uses the premises for illegal purposes.

Renewal: Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.

First right of refusal: If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).

Maintenance: During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.

LETTER FROM THE BOARD

Condition precedent: The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025 in relation to the lease, despatching of this circular and obtaining approval from the Independent Shareholders.

2.3 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: (a) Tongli Enterprise (as lessor)
(b) 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)

Actual usable floor area under 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.

Other fees: No management fees or other material expenses are contemplated under the lease.

Usage: For the operations of Renkang Elderly Care Centre and staff accommodation,

LETTER FROM THE BOARD

Termination:	The landlord may terminate the lease agreement if (i) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (ii) the tenant uses the premises for illegal purposes.
Renewal:	Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.
First right of refusal:	If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).
Maintenance:	During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.
Condition precedent:	The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025 in relation to the lease, despatching of this circular and obtaining approval from the Independent Shareholders.

In light of the requirements under Rule 14A.36 of the Listing Rules, prior to entering into any renewal of the 2026 Lease Agreements or other potential transactions between the Group and any connected person(s) of the Company, the finance department of the Company and relevant personnel of the Company will assess the relevant Listing Rules implications and seek professional advice as appropriate, with a view to ensuring that the connected transactions of the Company will only take effect after shareholders' approval (where required under Chapter 14A of the Listing Rules) has been obtained.

3. FINANCIAL EFFECTS OF ENTERING INTO THE 2026 LEASE AGREEMENTS

Subject to fulfillment of the condition precedent to the 2026 Lease Agreements, the unaudited value of the right-of-use asset to be recognised in accordance with IFRS 16 by the Group under the 2026 Lease Agreements amounted to approximately RMB257.3 million, which is calculated with reference to the present value of the aggregate rents payable under the 2026 Lease Agreements discounted using incremental borrowing rate of approximately 3.48%.

LETTER FROM THE BOARD

The unaudited right-of-use asset to be recognised under each of the 2026 Lease Agreements is as follows:

	<i>RMB'000</i>
The 2026 Kanghua Hospital Lease Agreement	215,013
The 2026 Renkang Hospital Lease Agreement	39,996
The 2026 Renkang Elderly Care Centre Lease Agreement	<u>2,313</u>
Total	<u>257,322</u>

Subject to fulfillment of the conditions precedent to the 2026 Lease Agreements, based on the 2026 Lease Agreements, the consolidated total assets of the Group will increase by approximately RMB257.3 million, and a corresponding amount of lease liabilities of approximately RMB257.3 million will be recognised at the same time in the consolidated statement of financial position.

Based on the 2026 Lease Agreements, the right-of-use assets will be depreciated on a straight line basis over the lease term with the annual depreciation charge amounting to approximately RMB85.8 million which will be charged to the consolidated statement of profit or loss and other comprehensive income. Interest expenses on the lease liabilities will be recognised at the rate of approximately 3.48% per annum on the carrying amount of the lease liabilities.

4. 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 “2. 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.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors 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. Please refer to Appendix II for the valuation report. 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.

5. INFORMATION ON THE PARTIES

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.

6. LISTING RULES IMPLICATIONS

IFRS 16 and acquisition of right-of-use assets

Pursuant to IFRS 16, 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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

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.

7. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the terms of each of the 2026 Lease Agreements and the transactions contemplated thereunder are fair and reasonable, and whether the respective transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Please refer to pages 19 to 20 for the letter from the Independent Board Committee in this regard.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. Please refer to pages 21 to 37 for the letter from the Independent Financial Adviser in this regard.

8. EGM

The Company will convene and hold the EGM for the Independent Shareholders to consider and, if thought fit, to approve the 2026 Lease Agreements and the transactions contemplated thereunder. A notice of the EGM is set out on pages 68 to 70 of this circular. In accordance with the requirements of the Listing Rules, all votes to be taken at the EGM will be by way of poll. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the EGM is enclosed herewith. Shareholders who intend appoint a proxy to attend and vote the EGM shall complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the Company's principal place of business in Hong Kong at Unit 3207, Metroplaza Tower 2, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong (in case of holders of Domestic Shares), as soon as possible and in any event no later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof should the Shareholders so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Board, and having made all reasonable enquiries, members of the Wang Family and their associates, being Kanghua Group (who holds 197,500,000 Domestic Shares, representing approximately 59.06% of the Company's total issued share capital), Xingda Property (who holds 27,500,000 Domestic Shares, representing approximately 8.22% of the Company's total issued share capital) and Xingye Group (who holds 25,000,000 Domestic Shares, representing approximately 7.48% of the Company's total issued share capital) will be required to abstain from voting on the resolutions approving each of the 2026 Lease Agreements and the transactions contemplated. Kanghua Group, Xingda Property and Xingye Group collectively hold 250,000,000 Domestic Shares, representing approximately 74.8% of the issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholders had a material interest in the 2026 Lease Agreements and therefore no other Shareholder will be required to abstain from voting on the resolution(s) approving each of the 2026 Lease Agreements and the transactions contemplated thereunder at the EGM.

9. CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE EGM

The register of members of H Shares of the Company will be closed from Thursday, 26 February 2026 to Tuesday, 3 March 2026, both days inclusive, during which no transfer of H Shares will be registered. In order to qualify for attending the EGM and vote for all resolutions to be submitted thereat, Shareholders whose names appear on the register of members of the Company on Tuesday, 3 March 2026 are entitled to attend and vote at the EGM or any adjournment thereof.

To be eligible to attend and vote at the EGM, all transfer instruments of the H Shares together with the relevant share certificates shall be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m., on Wednesday, 25 February 2026 for registration.

10. RECOMMENDATION

The Board (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) is of the view that, the terms of the 2026 Lease Agreements and the respective transactions contemplated thereunder (including the rent) are fair and reasonable, in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to each of the 2026 Lease Agreements and the respective transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

11. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 19 to 20 of this circular, the letter from the Independent Financial Adviser as set out on pages 21 to 37 of this circular, and the additional information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee, prepared for the purpose of inclusion in this circular from the Independent Board Committee to the Independent Shareholders regarding the 2026 Lease Agreements.



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)

4 February 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS
THE 2026 LEASE AGREEMENTS

We refer to the circular dated 4 February 2026 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of each of the 2026 Lease Agreements and the transactions contemplated thereunder are fair and reasonable, and whether the respective transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

Rainbow Capital (HK) Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2026 Lease Agreements and the transactions contemplated thereunder. Details of the advice from the Independent Financial Adviser, together with the reasons for its opinion, the key assumptions made and the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 21 to 37 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 6 to 18 of the Circular and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information as set out in the letter from the Board, the terms of the 2026 Lease Agreements and the respective transactions contemplated thereunder, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as set out in its letter of advice, we are of the view that the terms of each of the 2026 Lease Agreements and the transactions contemplated thereunder are fair and reasonable, and the respective transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to each of the 2026 Lease Agreements and the respective transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully

For and on behalf of the Independent Board Committee of
Guangdong Kanghua Healthcare Group Co., Ltd.*

Dr. Chen Keji
*Independent non-executive
Director*

Ms. Lam Shiu Ling Cecilia
*Independent non-executive
Director*

Mr. Chan Sing Nun
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



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

4 February 2026

To the Independent Board Committee and the Independent Shareholders

Guangdong Kanghua Healthcare Group Co., Ltd.
Unit 3207, Metroplaza Tower 2
223 Hing Fong Road
Kwai Fong, New Territories
Hong Kong

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS THE 2026 LEASE AGREEMENTS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Lease Agreements and the transactions contemplated thereunder (the “**Transactions**”), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 4 February 2026 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 10 April 2016, the Group has entered into the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement with Kanghua Group and Tongli Enterprises, respectively, for a term of 10 years commencing from 1 January 2016 to 31 December 2025. 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).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to IFRS 16, 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 recognised under the 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 recognised 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.

As at the Latest Practicable Date, 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 Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Chen Keji, Ms. Lam Shiu Ling Cecilia and Mr. Chan Sing Nun, has been formed to advise the Independent Shareholders on (i) whether the entering into of the 2026 Lease Agreements is conducted in the ordinary and usual course of business of the Group; and (ii) whether the terms of the 2026 Lease Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and as to voting. We, Rainbow Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, Kanghua Group or Tongli Enterprise that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group, Kanghua Group or Tongli Enterprise and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the 2026 Lease Agreements. Accordingly, we are independent from the Company pursuant to the requirements under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the 2026 Lease Agreements and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the 2026 Lease Agreements, we have taken into account the principal factors and reasons set out below:

1. Information of the Group, Kanghua Group and Tongli Enterprise

(i) The Group

The Group is a well-recognised hospital operator and healthcare services provider in the PRC with the mission of “Caring for the People and Practicing Medicine with Integrity”. The Group is principally engaged in the provision of hospital services, rehabilitation and other healthcare services, haemodialysis services and elderly healthcare services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial information of the Group for (a) the two years ended 31 December 2024 (“FY2023” and “FY2024”, respectively) as extracted from the annual report of the Company for FY2024; and (b) the six months ended 30 June 2024 and 2025 (“6M2024” and “6M2025”, respectively) as extracted from the interim report of the Company for 6M2025 (the “2025 Interim Report”):

	FY2023	FY2024	6M2024	6M2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	2,041,858	2,055,670	984,518	981,535
– Hospital services	1,887,888	1,838,532	880,750	873,298
– Rehabilitation and other healthcare services	141,243	128,449	59,708	58,596
– Haemodialysis services	–	75,770	37,092	42,711
– Elderly healthcare services	12,727	12,919	6,968	6,930
Gross profit	364,370	321,873	146,399	158,533
Other income	46,279	53,521	21,154	22,752
Other expenses, gains and losses, net	(6)	(7,333)	(9,888)	(1,775)
Net provision for impairment losses under the expected credit loss model	(2,768)	(4,277)	(3,236)	(10,209)
Net gain on disposals of subsidiaries	–	–	–	19,208
Loss on change in fair value of investment property	–	–	–	(300)
Share of results of an associate	–	–	–	(18,358)
Administrative expenses	(242,391)	(277,102)	(140,468)	(108,754)
Finance costs	(12,055)	(23,627)	(17,061)	(8,113)
Profit/(loss) before taxation	153,429	63,055	(3,100)	52,984
Income tax expense	(62,406)	(52,582)	(21,557)	(20,413)
Profit/(loss) attributable to the Shareholders	121,062	15,337	(19,542)	41,642

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 compared to FY2023

Revenue of the Group remained relatively stable at approximately RMB2,041.9 million and RMB2,055.7 million for FY2023 and FY2024, respectively.

Gross profit of the Group decreased by approximately 11.7% from approximately RMB364.4 million for FY2023 to approximately RMB321.9 million for FY2024, primarily attributable to (a) the decrease in revenue from the hospital services segment; (b) the decrease in the average patient spending from the Group's inpatient and physical examination services; (c) the impact in acquisition of the haemodialysis services business in January 2024; and (d) the deterioration in financial performance of Kangxin Hospital, which is still operating at a negative gross margin.

The Group recorded a profit attributable to the Shareholders of approximately RMB15.3 million for FY2024, which represented a significant decrease of approximately 87.3% from approximately RMB121.1 million for FY2023. Such decrease was primarily attributable to (a) the decrease in gross profit as mentioned above; (b) the increase in administrative expenses by approximately RMB34.7 million mainly due to (1) the rise in general salary level and the impact in acquisition of the haemodialysis services business in January 2024; (2) the increase in rental expenses and property management expenses; (3) the increase in repair and maintenance expenses as well as other major administrative expenses including office expenses and entertainment and travelling expenses; and (4) the increase in provision for medical dispute claims expense; and (c) the increase in finance costs by approximately RMB11.6 million mainly due to the increase in other finance charges as the remaining unamortised bank arrangement fee was charged to profit or loss on a one-off basis during FY2024 together with the full repayment of the bank loan.

6M2025 compared to 6M2024

Revenue of the Group remained relatively stable at approximately RMB984.5 million and RMB981.5 million for 6M2024 and 6M2025, respectively.

Gross profit of the Group increased by approximately 8.3% from approximately RMB146.4 million for 6M2024 to approximately RMB158.5 million for 6M2025, primarily attributable to that (a) the full de-consolidation of Kangxin Hospital's cost of revenue from those of the Group following the disposal of a 55% equity interest; (b) the increase in the overall average patient spending, despite a decline in patient visits; and (c) the continual improvement in the operating performance of the Group's haemodialysis services segment.

The Group recorded a turnaround from loss attributable to the Shareholders of approximately RMB19.5 million for 6M2024 to profit attributable to the Shareholders of approximately RMB41.6 million for 6M2025. Such turnaround was primarily attributable to (a) the increase in gross profit as mentioned above; (b) the decrease in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

net other expenses and losses by approximately RMB8.1 million mainly due to that the Group recognised fair value loss on financial assets at FVTPL of approximately RMB11.4 million for 6M2024 which was non-recurring during 6M2025; (c) the increase in net gain on disposal of subsidiaries by approximately RMB19.2 million; (d) the decrease in administrative expenses by approximately RMB31.7 million mainly due to (1) that the full de-consolidation of Kangxin Hospital's administrative costs from those of the Group following the disposal of a 55% equity interest; and (2) the Group's initiatives to enforce stringent cost control policies during 6M2025; and (e) the decrease in finance costs by approximately RMB8.9 million.

(ii) Kanghua Group and Tongli Enterprises

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

2. Reasons for and benefits of entering into the 2026 Lease Agreements

The Group has been leasing Kanghua Hospital from Kanghua Group and Renkang Hospital from Tongli Enterprise for years. As disclosed in the sub-section headed "1. Information of the Group, Kanghua Group and Tongli Enterprise – (i) the Group" above, the provision of hospital services is the principal business of the Group, accounting for approximately 92.5%, 89.4% and 89.0% of its total revenue for FY2023, FY2024 and 6M2025, respectively. The Group's hospital services segment is mainly represented by its self-owned and operated general hospitals, namely, 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). In addition, the provision of elderly healthcare services is one of the principal businesses of the Group, accounting for approximately 0.6%, 0.6% and 0.7% of its total revenue for FY2023, FY2024 and 6M2025, respectively. The Group's elderly healthcare services segment represents the operation of Renkang Elderly Care Centre (the operations of which are located in the premises of Renkang Hospital). As such, the continual operations of Kanghua Hospital, Renkang Hospital and Renkang Elderly Care Centre is essential for the business operation and financial performance of the Group.

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. On 10 April 2016, the Group has entered into the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement with Kanghua Group and Tongli Enterprises, respectively, for a term of 10 years commencing from 1 January 2016 to 31 December 2025. 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).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Letter from the Board, 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.

Based on the above, we concur with the Directors that the entering into of the 2026 Lease Agreements and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

3. The 2026 Lease Agreements

Details of the terms of the 2026 Lease Agreements are set out in the Letter from the Board, which are summarised as follows:

(i) *The 2026 Kanghua Hospital Lease Agreement*

Date:	22 December 2025		
Parties:	Kanghua Group (as lessor); and 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)		
Actual usable floor area under 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
Monthly unit rent (<i>RMB per square meter</i>)	16.8	17.7	18.6

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

**Historical transaction
amounts:**

For the year ended 31 December
2023 2024 2025
RMB'000 RMB'000 RMB'000

	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.

Other fees:

No management fees or other material expenses are contemplated under the lease.

Usage:

For the operations of Kanghua Hospital and staff accommodation.

Termination:

The landlord may terminate the lease agreement if (a) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (b) the tenant uses the premises for illegal purposes.

Renewal:

Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.

First right of refusal:

If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).

Maintenance:

During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Condition precedent: The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025, despatching of this circular and obtaining approval from the Independent Shareholders.

(ii) The 2026 Renkang Hospital Lease Agreement

Date: 22 December 2025

Parties: Tongli Enterprise (as lessor); and 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)

Actual usable floor area under 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
Monthly rent	1,116	1,172	1,231
Monthly unit rent (<i>RMB per square meter</i>)	16.0	16.8	17.6

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	8,659	9,739	10,927

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.

Other fees: No management fees or other material expenses are contemplated under the lease.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Usage:	For the operations of Renkang Hospital and staff accommodation.
Termination:	The landlord may terminate the lease agreement if (a) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (b) the tenant uses the premises for illegal purposes.
Renewal:	Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.
First right of refusal:	If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).
Maintenance:	During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.
Condition precedent:	The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025 in relation to the lease, despatching of this circular and obtaining approval from the Independent Shareholders.

(iii) The 2026 Renkang Elderly Care Centre Lease Agreement

Date:	22 December 2025
Parties:	Tongli Enterprise (as lessor); and 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)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Actual usable floor area under 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
Monthly unit rent (<i>RMB per square meter</i>)	16.8	17.6	18.4

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.

Other fees: No management fees or other material expenses are contemplated under the lease.

Usage: For the operations of Renkang Elderly Care Centre and staff accommodation.

Termination: The landlord may terminate the lease agreement if (a) the tenant without any reasonable excuse intentionally fails to pay the monthly rent within 90 days of it falling due; or (b) the tenant uses the premises for illegal purposes.

Renewal: Upon expiry of the term, the tenant has a right of first refusal to renew the lease agreement on the same terms for another three years, with the renewal lease agreement to be negotiated and agreed.

First right of refusal: If the landlord decides to dispose of the premises, it shall give the tenant advance notice. The tenant shall have a first right of refusal to purchase the premises under the same terms at the prevailing fair market price (or such amount to be determined by a jointly appointed independent third party valuer).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Maintenance: During the term of the lease, the tenant shall be responsible for the maintenance of the relevant properties. Any re-fitting or renovation of the buildings or facilities requested by the tenant shall be on the account of the tenant.

Condition precedent: The Company having fulfilled its obligations under the Listing Rules, including making of the announcement dated 22 December 2025 in relation to the lease, despatching of this circular and obtaining approval from the Independent Shareholders.

As disclosed in the Letter from the Board, 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 (i) the prevailing market rent of comparable properties in the vicinity. The Company has engaged an independent valuer (the "**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 Independent Valuer has valued the properties by using market approach by making reference to rental 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.

Pursuant to the terms of the 2026 Lease Agreement, the rent shall be paid monthly and the rent for each month must be paid before the 30th day of that month. Rental payment on monthly basis is the most commonly adopted payment terms negotiated on arms' length basis in a typical rental agreement between landlord and tenant and is considered fair and reasonable.

Taking into account that (i) the reasons for and the benefits of the entering into of the 2026 Lease Agreements as detailed above; (ii) the rent payable by the Group under the 2026 Lease Agreements is determined with reference to, among others, the fair market rents of Kanghua Hospital, Renkang Hospital and Renkang Elderly Care Centre (collectively, the "**Premises**") as at 30 November 2025 according to the valuation report prepared by the Independent Valuer by using the market approach; and (iii) rental payment on monthly basis under the 2026 Lease Agreements is the most commonly adopted payment terms in a typical rental agreement, we consider that the terms of the 2026 Lease Agreements are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Assessment of the rent payable under the 2026 Lease Agreements

As disclosed in the Letter from the Board, the rent payable by the Group under the 2026 Lease Agreements is determined with reference to (i) the fair market rents of the Premises as at 30 November 2025 according to the valuation report prepared by the Independent Valuer by using the market approach (the “**Valuation Report**”); and (ii) factoring a 5% increment for each of 2027 and 2028 in line with the GDP growth target of the PRC. The full text of the Valuation Report is set out in Appendix II to the Circular, and the Independent Shareholders are recommended to read in full.

We have conducted an interview with the Independent Valuer to inquire about their qualifications and experience in rental valuation of properties in the PRC, as well as their independence. In our review of the engagement letter between the Company and the Independent Valuer and other relevant information provided by the Independent Valuer, we noted that the Independent Valuer is a qualified asset appraisal firm to perform valuation works in the PRC, and the responsible persons of the Independent Valuer are chartered surveyors who have years of experience in conducting valuation and possess sufficient qualifications and experience in valuing similar assets in the PRC. We have also enquired with the Independent Valuer as to their independence, and were given to understand that the Independent Valuer is independent of the Group, Kanghua Group and Tongli Enterprise. The Independent Valuer confirmed that apart from normal professional fees paid or payable to them in connection with their appointment as the Independent Valuer, no other arrangements exist whereby they will receive any fees or benefits from the Group, Kanghua Group or Tongli Enterprise. We have also reviewed the terms of engagement of the Independent Valuer, in particular in relation to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Valuation Report. We have also performed work as required under note (1)(d) to Rule 13.80 of the Listing Rule in relation to the Independent Valuer and its work as regards the Valuation Report. Based on the above, we are satisfied with the terms of engagement of the Independent Valuer as well as their qualification and experience for performing the rental valuation of the Premises, and we are of the view that the scope of work of the Independent Valuer is appropriate. We therefore consider it appropriate to rely on their work and opinion.

As stated in the Valuation Report and confirmed by the Independent Valuer, the rental valuation of the Premises is conducted in compliance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 and Practice Note 12 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the Independent Valuer regarding the methodology, basis and assumptions adopted in performing the rental valuation of the Premises. We noted that the Independent Valuer adopted the market approach by making reference to rental comparables as available in the open market. We understood from the Independent Valuer this approach is universally considered as the most accepted valuation approach for rental valuation of properties in the PRC. This involves the analysis of recent rental comparables of similar properties in the same vicinity. Based on the above, we are of the opinion that the valuation approach adopted by the Independent Valuer is reasonable and acceptable in establishing the fair market rents of the Premises. We noted that in assessing the fair market rents of the Premises, the Independent Valuer has considered the current market condition for rents of the types of properties involved and their locations, examined comparable rentals of similar properties in the nearby vicinity of the Premises, and conducted the market rental valuation on the basis of market rent, being defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Taking into account that (i) based on the aforesaid methodology, basis and assumption, the Independent Valuer has considered the recent market evidence of similar properties located in the nearby vicinity of the Premises to reflect fair market rents of the Premises; (ii) based on our review of the work done by the Independent Valuer, including our discussion with the Independent Valuer understanding the methodology, basis and assumptions, we were not aware of any regularities during our discussion with the Independent Valuer or in our review of its works; and (iii) we have reviewed similar property rental valuations conducted by other listed companies on the Stock Exchange and noted that such methodology, basis and assumptions are commonly adopted, we consider that the methodology, basis and assumptions adopted by the Independent Valuer for determining the fair market rents of the Premises are appropriate.

As advised by the Independent Valuer, rental comparables (the “**Comparables**”) are selected based on, among others, (i) time of the relevant comparables, being within approximately 6 months before the valuation date; (ii) location, i.e. Dongguan city, where the Premises are located; and (iii) respective permitted usage (i.e. medical facilities or land). We further understood from the Independent Valuer that based on their analysis, there is a lack of relevant leasing evidence on the property type with the identical land use as the Premises (i.e. being hospitals) in the vicinity of the Premises. Instead, they have extended the criteria to the properties of commercial land use rights which are suitable for medical facilities. Based on the aforesaid criteria, on an exhaustive basis, three most rental comparables have been selected for each of the subject buildings of the Premises and four most rental comparables have been selected for the vacant land portion of Kanghua Hospital. For our due diligence purpose, we have obtained information of the Comparables, such as location, usage, date, completion year, lettable area, lease term, furnishing standard, etc., as well as the detailed comparison and adjustment analysis prepared by the Independent Valuer. Based on our review, we noted that (i) the locations of the Comparables are in the vicinity of the relevant Premises; (ii) the Comparables share similar characteristics with the relevant Premises; (iii) the dates of the Comparables are close to the valuation date; (iv) the details of the Comparable are sourced from online public domain; and (v) the Independent Valuer has made necessary adjustments based on

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

factors, which include, among others, the differences in nature, location, building age, size, building quality and furnishing standard between the Comparables and the Premises. Considering the above factors, we concur with the Independent Valuer that the selection criteria of the comparable properties are fair and reasonable and the Comparables are appropriate for determining the fair market rents of the Premises. Although the Comparables were selected based on the extended criteria of properties of commercial land use rights which are suitable for medical facilities, taking into account that (i) there is a lack of relevant leasing evidence on the property type with the identical land use as the Premises (i.e. being hospitals) on public domain; (ii) the Comparables are commercial properties which are suitable for medical facilities. In other words, the Comparables can be used for hospital, the same use as the Premises; and (iii) the locations of the Comparables are in the vicinity of the relevant Premises, we consider that the Comparables share similar characteristics with the relevant Premises.

We were further advised by the Independent Valuer that adjustments have been made in consideration of the differences in, among others, nature, location, building age, size, building quality and furnishing standard, between the Premises and the Comparables. We have discussed with the Independent Valuer on the adjustments applied and understood that such adjustment factors were commonly adopted for the rental valuation and the Independent Valuer has used their professional judgement and experience in performing similar assessment works to assign weightings to the factors when applying adjustments, which is also conducted in the same manner as required by the HKIS Valuation Standards. In this regard, we have also performed independent research and noted that, according to the section headed “IVS105 Valuation Approached and Methods” of the International Valuation Standards published by the International Valuation Standards Council, a professional should make adjustments for any material differences between the comparable and the subject asset. Examples of common differences that could warrant adjustments may include, among others, material physical characteristics (age, size, specifications, etc.) and geographical location. Based on our discussion and review on the information of the Comparables, including but not limited to address, property type, year of completion, lettable area, monthly rent, nature, date, lease term and furnishing standard of the Comparables, we noted that the Independent Valuer has made necessary adjustments based on factors, which include, among others, the differences in nature, location, building age, size, building quality and furnishing standard between the Comparables and the Premises. As the aforesaid adjustment factors include age, size, specifications (i.e. building quality and furnishing standard) and geographical location, which are the common adjustment factors mentioned in the International Valuation Standards, we considered that the factors considered by the Independent Valuer are in compliance with the International Valuation Standards. In general, if the relevant Premise is better than the Comparables in terms of the aforementioned factor(s), an upward adjustment is being applied, and vice versa. In this regard, we have discussed with the Independent Valuer on the difference in each of the aforementioned factor(s) between the Comparables and the Premises and the corresponding upward or downward adjustments being made. We noted that (i) the nature adjustment accounted for the potential rental discount secured through rental negotiation; (ii) the location adjustment factored in the convenience and prominence of transportation links, thereby reflecting the property’s accessibility; (iii) the size adjustment accounted for potential variations in value due to differences in the total square footage or usable space of the comparable properties compared to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Premises; and (iv) the adjustments for building age, building quality and furnishing standard accounted for the impact of the property's physical state and any improvements made. Based on our discussion and our review of the information of the Comparables, we consider that the adjustments made by the Independent Valuer were appropriate. After adjustments were applied on the unit monthly rents of the Comparables, the Independent Valuer had applied the average adjusted unit monthly rents of the Comparables as the fair market rents of the Premises.

Taking into account that (i) the Comparables are appropriately selected for performing the rental valuation of the Premises; (ii) the adjustment factors applied on arriving the fair market rents of the Premises are commonly adopted in the rental valuation; and (iii) the adjustments were applied based on the Independent Valuer's professional judgment and experience and in accordance with the HKIS Valuation Standards, we consider the fair market rents of the Premises are fair and reasonable.

For cross-checking purpose, on 15 December 2025, we have reviewed the relevant rental evidences of similar commercial properties in Nancheng District and Houjie Town of Dongguan city as extracted from the independent property agency website (i.e. Beike) in relation to rental of commercial properties available and their monthly unit rents. Since there are only two main property categories on Beike, being residential properties and commercial properties, we selected commercial properties in our review. Based on our review, we noted that excluding three outliers whose monthly unit rents were extremely high (in the range from RMB40 to RMB65) as they are located in international Grade A office buildings, the monthly unit rents of remaining nine commercial properties in Nancheng District of Dongguan city (i.e. the district where Kanghua Hospital is located) ranged from RMB12 to RMB33 with a median of RMB18 while the monthly unit rents of eight commercial properties in Houjie Town of Dongguan city (i.e. the town where Renkang Hospital and Renkang Elderly Care Centre are located) ranged from RMB13 to RMB25 with a median of RMB17. As such, we consider that monthly rents of the Premises payable by the Group are generally in line with that of the comparable commercial properties in similar location.

In respect of the rental increment rate of 5% per annum, we understood from the Independent Valuer that such annual increment rate was derived based on their conversation with the corresponding real estate agents and relevant experience. In addition, we have compared the proposed increment rate with the historical GDP growth rate of Dongguan and the PRC. According to the Dongguan Municipal Bureau of Statistics, the GDP growth rate of Dongguan amounted to approximately 4.6% and 4.5% in 2024 and the first three quarters of 2025, respectively. According to the National Bureau of Statistics, the Chinese GDP growth rate amounted to approximately 5.0% and 5.2% in 2024 and the first three quarters of 2025, respectively. As such, we consider that the proposed rental increment rate is in line with the historical GDP growth rate of Dongguan and the PRC, and therefore is fair and reasonable.

Based on the above, we are of the view that the rent payable by the Group under the 2026 Lease Agreements is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the entering into of the 2026 Lease Agreements is conducted in the ordinary and usual course of business of the Group and the terms of the 2026 Lease Agreements are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the 2026 Lease Agreements.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.kanghuagp.com):

- (a) the audited consolidated financial statements of the Group for the year ended 31 December 2022 as set out on pages 174 to 288 of the annual report of the Company for the year ended 31 December 2022 published on 26 April 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600749.pdf>

- (b) the audited consolidated financial statements of the Group for the year ended 31 December 2023 as set out on pages 173 to 288 of the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501116.pdf>

- (c) the audited consolidated financial statements of the Group for the year ended 31 December 2024 as set out on pages 175 to 292 of the annual report of the Company for the year ended 31 December 2024 published on 25 April 2025:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042501726.pdf>

- (d) the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 as set out on pages 63 to 102 of the interim report of the Company for the six months ended 30 June 2025 published on 23 September 2025:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0923/2025092300250.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group were as follows:

	<i>RMB'000</i>
Variable rate secured bank loan (<i>note (a)</i>)	78,390
Variable rate unsecured bank loan (<i>note (b)</i>)	213,021
Lease liabilities	42,252
	333,663

Bank borrowings

- (a) The bank loan was secured by: (i) financial guarantees provided by the Company and Mr. Wang Junyang, the chairman of the Group; and (ii) leasehold land held by a subsidiary of the Company.
- (b) The bank loan was unsecured and financial guarantees have been provided by the Company and Mr. Wang Junyang, the chairman of the Group.

Lease liabilities

As at 30 November 2025, all lease liabilities amounted to RMB42.3 million were secured by rental deposits and unguaranteed.

Others

Save as disclosed above, the Group had no debt securities issued and outstanding, neither authorized nor otherwise created but unissued, and had no other term loans, no matter guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured. The Group had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) nor acceptance credits or hire purchase commitments, no matter guaranteed, unguaranteed, secured or unsecured borrowings and debt. Save as disclosed above, the Group had no other mortgages and charges.

Contingent liabilities

The Group is subject to legal proceedings and claims in the ordinary of business primarily arising from medical disputes brought by patients. Provision for medical disputes is made based on the status of potential and active claims outstanding as at the end of the relevant period, and primarily taking into account any judicial appraisal or court determination against the Group. As at 30 November 2025, the total stated claim amount of the Group's on-going medical disputes was approximately RMB9.6 million and there were certain medical disputes without claim amount stated. Based on the Group's assessment, as at 30 November 2025, approximately RMB5.0 million had been provided and included in accounts and other payables and provisions of the Group. The cash outflow of remaining claim amount of RMB4.6 million cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard.

As at 30 November 2025, the Group had no other contingent liabilities or guarantees that would have a material impact on the financial position or operation of the Group.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the effect of the transactions contemplated under the 2026 Lease Agreements, the Group's internal resources, cash flow from operations, and facilities available to the Group, the Group has sufficient working capital for its requirements for at least the next 12 months from the date of this circular.

The Company has obtained the relevant letter from the Company's auditor as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a hospital operator and healthcare services provider in the PRC.

The Group currently operates four major business segments: (i) provision of hospital services; (ii) provision of rehabilitation and other healthcare services; (iii) provision of haemodialysis services; and (iv) provision of elderly healthcare services.

Over the short to medium term, the Group expects revenue and patient-volume performance to be driven by demand for differentiated, higher-value clinical services, expansion of outpatient and rehabilitation throughput, and continued demand for haemodialysis and elderly-care solutions. Growth in these segments will be pursued while maintaining prudent financial discipline and cash-flow management.

Industry context that will shape trading conditions includes ongoing regulatory reform, greater emphasis on primary and community care, gradual roll-out of alternative payment mechanisms (such as DRG/DIP-style schemes), and wider social insurance coverage. These changes are likely to exert dual effects: they may increase patient access and volumes over time while also placing upward pressure on reimbursement and reimbursement-mix volatility. The Group anticipates that a combination of volume growth in higher-end specialties and operational efficiency gains will be central to offsetting any compression in unit reimbursement rates.

Key strategic initiatives intended to support financial performance include: recruiting and retaining senior clinical leaders to build high-margin specialty services; optimizing clinical department structures and outpatient workflows to increase visit frequency and bed turnover; developing differentiated, higher-value service lines to capture greater case-mix and revenue per patient; and expanding ancillary services (such as rehabilitation and chronic-disease management) that support recurring revenues. The Group will also pursue collaborations on payment pilots and standardization of medical-record management to participate in evolving reimbursement models and reduce revenue-cycle risk.

Cost and margin management will remain a priority. The Group plans to implement more disciplined labour-cost controls, including workforce planning that aligns staffing to demand, targeted productivity initiatives, and continued investment in process improvements and digital tools to lower unit costs. Capital deployment will be assessed against return thresholds and liquidity requirements, with priority for projects that improve utilization or enhance margins.

The following is the text of a letter, a valuation summary and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the properties to be leased by the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited

Units 1602-4, 16/F
308 Central Des Voeux
No. 308 Des Voeux Road Central
Hong Kong



The Board of Directors

Guangdong Kanghua Healthcare Group Co., Ltd.

Unit 3207, Metroplaza Tower 2,
223 Hing Fong Road, Kwai Fong,
New Territories, Hong Kong

4 February 2026

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Rents of the properties located in The People's Republic of China ("**The PRC**") to be leased by Guangdong Kanghua Healthcare Group Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Rents of the properties as at 30 November 2025 (the "**Valuation Date**").

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Rent. Market Rent is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the lessor leases the properties on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangements, which could serve to affect the rental values of the properties.

No allowances have been made for any charges, mortgages or amounts neither owing on the properties valued nor for any expenses or taxation which may be incurred in effecting a lease. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings, which could affect the rental values of the properties.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to lease the properties for the whole of the unexpired term of the land use rights.

VALUATION METHODOLOGY

When valuing the Market Rents of properties to be leased by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rent; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rent is adjusted in order to arrive at the appropriate unit rent for the subject. This is done by making percentage adjustments to the unit rent for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the properties interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advice given by The PRC legal adviser of the Group, Commerce & Finance Law Offices, regarding the titles of the properties located in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the properties set out in this letter, the valuation summary and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the properties located in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The properties were inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”).

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Kit Cheung
BSc(Hons) FHKIS MRICS R.P.S.(GP)
MCIREA MHIREA
RICS Registered Valuer
Registered Real Estate Appraiser PRC
Certified ESG Planner CEP®
Executive Director

Vincent Cheung
BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Certified ESG Planner CEP®
Managing Director

Note:

Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser and Agent People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Kit Cheung is a fellow of the Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 17 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION SUMMARY

Properties to be Leased by the Group in The PRC

No.	Property	Monthly Market Rent in Existing State as at 30 November 2025
1	Dongguan Kanghua Hospital, Dongguan Avenue, Dongguan, Guangdong Province, The PRC	RMB6,029,000
2	Dongguan Renkang Hospital, No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC	RMB1,123,000
3	Dongguan Renkang Elderly Care Centre, No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC	RMB64,900
Total:		RMB7,216,900

VALUATION CERTIFICATE

Properties to be Leased by the Group in The PRC

				Monthly Market Rent in Existing State as at 30 November 2025																																
No.	Property	Description and Tenure	Occupancy Particulars																																	
1	Dongguan Kanghua Hospital, Dongguan Avenue, Dongguan, Guangdong Province, The PRC	The property comprises thirteen hospital buildings erected on two parcels of land and a vacant parcel of land. As per the Real Estate Title Certificates and information provided by the Instructing Party, the subject buildings have a total gross floor area (“GFA”) of approximately 291,207.44 square metres (“sq.m.”). The site area of the vacant land is approximately 65,380.26 sq.m. Area breakdown of the property is listed below: <table><thead><tr><th>Portion</th><th>GFA (sq.m.)</th></tr></thead><tbody><tr><td>Medical Technology Block</td><td>101,096.57</td></tr><tr><td>Ward Block, Zone 1</td><td>12,504.09</td></tr><tr><td>Ward Block, Zone 2</td><td>13,953.26</td></tr><tr><td>Ward Block, Zone 3</td><td>12,040.69</td></tr><tr><td>Ward Block, Zone 5</td><td>14,236.56</td></tr><tr><td>Ward Block, Zone 6</td><td>14,527.58</td></tr><tr><td>Clinic Block</td><td>30,913.12</td></tr><tr><td>Emergency Block</td><td>15,197.06</td></tr><tr><td>Ward Block for VIP</td><td>24,168.26</td></tr><tr><td>Office Block</td><td>10,128.18</td></tr><tr><td>Ancillary Building No. 1</td><td>8,818.32</td></tr><tr><td>Ancillary Building No. 2</td><td>29,192.75</td></tr><tr><td>Utility Room</td><td>4,431.00</td></tr><tr><td>Total:</td><td>291,207.44</td></tr></tbody></table> Site Area (sq.m.) <table><tbody><tr><td>Vacant Land</td><td>65,380.26</td></tr></tbody></table>	Portion	GFA (sq.m.)	Medical Technology Block	101,096.57	Ward Block, Zone 1	12,504.09	Ward Block, Zone 2	13,953.26	Ward Block, Zone 3	12,040.69	Ward Block, Zone 5	14,236.56	Ward Block, Zone 6	14,527.58	Clinic Block	30,913.12	Emergency Block	15,197.06	Ward Block for VIP	24,168.26	Office Block	10,128.18	Ancillary Building No. 1	8,818.32	Ancillary Building No. 2	29,192.75	Utility Room	4,431.00	Total:	291,207.44	Vacant Land	65,380.26	As per our on-site inspection and the information provided by the Instructing Party, the property is occupied as a hospital and it will be leased subject to a tenancy for a term expiring on 31 December 2028 at a monthly rent of RMB6,000,110 for the first year with an increase of 5% annually.	RMB6,029,000 (RENMINBI SIX MILLION AND TWENTY NINE THOUSAND)
Portion	GFA (sq.m.)																																			
Medical Technology Block	101,096.57																																			
Ward Block, Zone 1	12,504.09																																			
Ward Block, Zone 2	13,953.26																																			
Ward Block, Zone 3	12,040.69																																			
Ward Block, Zone 5	14,236.56																																			
Ward Block, Zone 6	14,527.58																																			
Clinic Block	30,913.12																																			
Emergency Block	15,197.06																																			
Ward Block for VIP	24,168.26																																			
Office Block	10,128.18																																			
Ancillary Building No. 1	8,818.32																																			
Ancillary Building No. 2	29,192.75																																			
Utility Room	4,431.00																																			
Total:	291,207.44																																			
Vacant Land	65,380.26																																			

As per the information provided by the Instructing Party, the subject buildings completed in various stages between 2007 and 2013.

The land use rights of the property were granted for a term expiring on 26 January 2053 for public facilities uses.

Notes:

1. The property was inspected by Ines Wang *MSc Real Estate Probationer of HKIS Probationer of RICS* on 5 December 2025.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®*.
3. Pursuant to the Real Estate Title Certificates dated 8 January 2025 issued by Dongguan Municipal Bureau of Natural Resources, the land use rights and the building ownership rights of the subject buildings with a total GFA of approximately 286,776.44 sq.m. were legally vested in Dongguan Kanghua Investment Group Co., Ltd.. The land use rights of the subject building were granted for a term expiring on 26 January 2053 for public facilities uses.

The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Building	GFA (sq.m.)
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003961	Medical Technology Block	101,096.57
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003897	Ward Block, Zone 1	12,504.09
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004001	Ward Block, Zone 2	13,953.26
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004087	Ward Block, Zone 3	12,040.69
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004020	Ward Block, Zone 5	14,236.56
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003919	Ward Block, Zone 6	14,527.58
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003621	Clinic Block	30,913.12
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003933	Emergency Block	15,197.06
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004017	Ward Block for VIP	24,168.26
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0003953	Office Block	10,128.18
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004006	Ancillary Building No. 1	8,818.32
Yue (2025) Dongguan Bu Dong Chan Quan Di No. 0004030	Ancillary Building No. 2	29,192.75
Total:		<u>286,776.44</u>

4. Pursuant to a State-owned Land Use Rights Certificate, Dong Fu Guo Yong (2003) Di Te No. 78-2 dated 27 November 2012 and issued by Dongguan Municipal People's Government, the land use rights of the vacant land with a site area of 65,380.26 sq.m. were granted to Dongguan Kanghua Investment Group Co., Ltd. for a term expiring on 26 January 2053 for public facilities uses.
5. As advised by the Company, a utility room with a GFA approximately 4,431.00 sq.m. is yet to be granted with proper title certificate of building ownership rights. In the course of our valuation, we have attributed no commercial rental value to the utility room.
6. The general description and market information of the property are summarised below:

Location	:	The property is located at Dongguan Avenue, Dongguan, Guangdong Province, The PRC.
Transportation	:	Shenzhen Bao'an International Airport and Dongguan Railway Station are located approximately 57.7 kilometers and 25.8 kilometers away from the property respectively.

Nature of Surrounding Area : The area is predominately a residential and industrial area in Dongguan.

7. As per our market research and analysis, the assessed Market Rent is subject to an annual rental growth rate of 5%.
8. We have been provided with a legal opinion regarding the property by Commerce & Finance Law Offices, which contains, inter alia, the following:
- (a) Dongguan Kanghua Investment Group Co., Ltd. has obtained the Real Estate Title Certificates of the property in accordance with laws;
 - (b) The property is subject to a mortgage agreement entered into between Dongguan Kanghua Investment Group Co., Ltd. as the mortgagor and Industrial and Commercial Bank of China Limited (Houjie Branch, Dongguan) and Bank of China Limited (Dongguan Branch) as the mortgagee;
 - (c) Subject to the agreement of the mortgagee, Dongguan Kanghua Investment Group Co., Ltd. has the right to occupy, use, let, mortgage or by other legal means handle the property;
 - (d) Apart from the mortgage mentioned above, the property is not subject to any seizure or other restrictions on rights.
9. In the course of our valuation of the subject buildings of the property, we have considered and analysed the rental comparables in the vicinity.

All rental comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type	:	Properties lettable for medical premises
GFA (sq.m.)	:	>5,000
Location	:	Located within Dongguan, Guangdong Province, The PRC
Time	:	Within 6 months from the valuation date

Based on the above selection criteria, three rental comparables with unit rents range from RMB16.69 per sq.m. per month to RMB20.42 per sq.m. per month on the basis of GFA. After due adjustments in terms of different attributes including nature, location, building age, size, quality and furnishing standard. The unit rents of the adopted comparables are adjusted to a range of RMB18.99 per sq.m. per month to RMB20.01 per sq.m. per month on the basis of GFA, which are then weighted evenly to derive the adopted unit rent of RMB19.40 per sq.m. per month on the basis of GFA. The details and adjustments of rental comparables are summarised as below:

	Comparable 1	Comparable 2	Comparable 3
Name of Development	No. 1 Yong'an Road	Xinji Commercial Development	Wanjiang Centre
Address	No. 1 Yong'an Road	No. 128 Guantai Road Nancheng Section	No. 3 Wanjiang Road
City	Dongguan	Dongguan	Dongguan
Province	Guangdong	Guangdong	Guangdong
Property Type	Property lettable for medical premises	Property lettable for medical premises	Property lettable for medical premises
Year of Completion	1993	2005	2005
GFA (<i>sq.m.</i>)	10,787.62	7,346.00	50,000
Monthly Rent (<i>RMB</i>)	180,000	150,000	1,000,000
Unit Rent (<i>RMB/sq.m./month</i>)	16.69	20.42	20.00
Date	Oct 2025	Oct 2025	Oct 2025
Source	58.com	58.com	58.com
Adjustment			
Nature	(5.0%)	(5.0%)	(5.0%)
Location	30.0%	5.0%	5.0%
Building Age	4.7%	0.7%	0.7%
Quality	2.5%	2.5%	2.5%
Size	(13.8%)	(14.0%)	(11.8%)
Furnishing Standard	5.0%	5.0%	5.0%
Adjusted Unit Rent (<i>RMB/sq.m./month</i>)	20.01	18.99	19.06

By applying the aforesaid adopted unit rent of RMB19.40 per sq.m. per month (round to one decimal place) to the subject buildings of the property, we have arrived at the monthly rental valuation of circa RMB5,563,000.

In the course of our valuation of the vacant land portion of the property, we have considered and analysed the rental comparables in the vicinity.

All rental comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type	:	Non-domestic land
Site Area (<i>sq.m.</i>)	:	>1,000
Location	:	Located within Dongguan, Guangdong Province, The PRC
Time	:	Within 6 months from the valuation date

Based on the above selection criteria, four rental comparables with unit rents range from RMB7.31 per sq.m. per month to RMB9.00 per sq.m. per month on the basis of site area. After due adjustments in terms of different attributes including nature, location and size. The unit rents of the adopted comparables are adjusted to a range of RMB6.50 per sq.m. per month to RMB7.63 per sq.m. per month on the basis of site area, which are then weighted evenly to derive the adopted unit rent of RMB7.13 per sq.m. per month on the basis of site area. The details and adjustments of rental comparables are summarised as below:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name of Development	Vacant Site in Meitang	Vacant Site in Shima Industrial Zone	Vacant Site in Dichong Industrial Zone	Vacant Site in Liaobu Town
Address	Meitang Community	Shima Jianshe Road	Gaolong West Road	Dongsheng Road
City	Dongguan	Dongguan	Dongguan	Dongguan
Province	Guangdong	Guangdong	Guangdong	Guangdong
Property Type	Non-domestic land	Non-domestic land	Non-domestic land	Non-domestic land
Site Area (<i>sq.m.</i>)	3,000	20,000	5,000	1,300
Monthly Rent (<i>RMB</i>)	24,000	160,000	45,000	9,500
Unit Rent (<i>RMB/sq.m./month</i>)	8.00	8.00	9.00	7.31
Date	Nov 2025	Nov 2025	Nov 2025	Nov 2025
Source	58.com	58.com	58.com	58.com
Adjustment				
Nature	(5.0%)	(5.0%)	(5.0%)	(5.0%)
Location	0.0%	0.0%	(5.0%)	0.0%
Size	(6.2%)	(4.5%)	(6.0%)	(6.4%)
Adjusted Unit Rent (<i>RMB/sq.m./month</i>)	7.13	7.26	7.63	6.50

By applying the aforesaid adopted unit rent of RMB7.13 per sq.m. per month (round to two decimal places) to the vacant land of the property, we have arrived at the monthly rental valuation of circa RMB466,000.

By totalling up the market rents of the subject building and the vacant land, we arrive at the aggregate market rent of the property at circa RMB6,029,000 per month.

				Monthly Market Rent in Existing State as at 30 November 2025																		
No.	Property	Description and Tenure	Occupancy Particulars																			
2	Dongguan Renkang Hospital, No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC	The property comprises seven hospital buildings erected on a parcel of land. As per seven Real Estate Title Certificates and information provided by the Instructing Party, the property has a GFA of approximately 70,159.62 sq.m.. Area breakdown of the property is listed below: <table><thead><tr><th>Portion</th><th>GFA (sq.m.)</th></tr></thead><tbody><tr><td>Residential Block C</td><td>2,693.74</td></tr><tr><td>Residential Block B</td><td>9,157.23</td></tr><tr><td>Residential Block A</td><td>7,290.34</td></tr><tr><td>Ward Block</td><td>22,385.46</td></tr><tr><td>Clinic Block</td><td>17,943.75</td></tr><tr><td>Medical Technology Block</td><td>6,164.15</td></tr><tr><td>General Services Block</td><td>4,524.95</td></tr><tr><td>Total:</td><td>70,159.62</td></tr></tbody></table>	Portion	GFA (sq.m.)	Residential Block C	2,693.74	Residential Block B	9,157.23	Residential Block A	7,290.34	Ward Block	22,385.46	Clinic Block	17,943.75	Medical Technology Block	6,164.15	General Services Block	4,524.95	Total:	70,159.62	As per our on-site inspection and the information provided by the Instructing Party, the property is occupied as a hospital and it will be leased subject to a tenancy for a term expiring on 31 December 2028 at a monthly rent of approximately RMB1,116,137 for the first year with an increase of 5% annually.	RMB1,123,000 (RENMINBI ONE MILLION ONE HUNDRED AND TWENTY THREE THOUSAND)
Portion	GFA (sq.m.)																					
Residential Block C	2,693.74																					
Residential Block B	9,157.23																					
Residential Block A	7,290.34																					
Ward Block	22,385.46																					
Clinic Block	17,943.75																					
Medical Technology Block	6,164.15																					
General Services Block	4,524.95																					
Total:	70,159.62																					
		As per the information provided by the Instructing Party, the property was completed in about 2009. The land use rights of the property were granted for a term expiring on 17 May 2054 for hospital uses.																				

Notes:

1. The property was inspected by Ines Wang *MSc Real Estate Probationer of HKIS Probationer of RICS* on 5 December 2025.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®*.
3. Pursuant to seven Real Estate Title Certificates dated 5 November 2009 issued by Dongguan Municipal Housing Administration Bureau, the land use rights and the building ownership of the property with a total GFA of approximately 73,265.62 sq.m. were legally vested in Dongguan Tongli Enterprise Co., Ltd.. The land use rights of the property were granted for a term expiring on 17 May 2054 for hospital uses.

The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Building	GFA (sq.m.)
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079595	Residential Block C	2,693.74
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079596	Residential Block B	9,157.23
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079597	Residential Block A	7,290.34
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079598*	Ward Block	25,491.46
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079599	Emergency Block	17,943.75
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079600	Medical Technology Block	6,164.15
Yue Fang Di Quan Zheng Guan Zi Di No. 1600079601	General Services Block	4,524.95
Total:		73,265.62

As per the information provided by the Instructing Party, a portion of the ward block with a GFA of 3,106.00 sq.m. has been operated as Dongguan Renkang Elderly Care Centre, which constitutes Property No. 3. After deducting the GFA of Property No. 3, the GFA of the portion of ward block allocated to Property No. 2 is 22,385.46 sq.m. and the total GFA of Property No. 2 is 70,159.62 sq.m.

4. The general description and market information of the property are summarised below:

Location : The property is located at No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC.

Transportation : Shenzhen Bao'an International Airport and Humen Railway Station are located approximately 46.8 kilometers and 6.4 kilometers away from the property respectively.

Nature of Surrounding Area : The area is predominately a residential and commercial area in Dongguan.

5. As per our market research and analysis, the assessed Market Rent is subject to an annual rental growth rate of 5%.

6. We have been provided with a legal opinion regarding the property by Commerce & Finance Law Offices, which contains, inter alia, the following:

- (a) Dongguan Tongli Enterprise Co., Ltd. has obtained the Real Estate Title Certificates of the property in accordance with laws;
- (b) Dongguan Tongli Enterprise Co., Ltd. has the right to occupy, use, let, mortgage or by other legal means handle the property; and
- (c) The property is not subject to any seizure or other restrictions on rights.

7. In the course of our valuation of the property, we have considered and analysed the rental comparables in the vicinity.

All rental comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type : Properties lettable for medical premises

GFA (sq.m.) : >5,000

Location : Located within Dongguan, Guangdong Province, The PRC

Time : Within 6 months from the valuation date

Based on the above selection criteria, three rental comparables with unit rents range from RMB16.69 per sq.m. per month to RMB20.42 per sq.m. per month on the basis of GFA. After due adjustments in terms of different attributes including nature, location, building age, size, quality and furnishing standard. The unit rents of the adopted comparables are adjusted to a range of RMB15.38 per sq.m. per month to RMB17.44 per sq.m. per month on the basis of GFA, which are then weighted evenly to derive the adopted unit rent of RMB16.10 per sq.m. per month on the basis of GFA. The details and adjustments of rental comparables are summarised as below:

	Comparable 1	Comparable 2	Comparable 3
Name of Development	No. 1 Yong'an Road	Xinji Commercial Development	Wanjiang Centre
Address	No. 1 Yong'an Road	No. 128 Guantai Road Nancheng Section	No. 3 Wanjiang Road
City	Dongguan	Dongguan	Dongguan
Province	Guangdong	Guangdong	Guangdong
Property Type	Property lettable for medical premises	Property lettable for medical premises	Property lettable for medical premises
Year of Completion	1993	2005	2005
GFA (<i>sq.m.</i>)	10,787.62	7,346.00	50,000.00
Monthly Rent (<i>RMB</i>)	180,000	150,000	1,000,000
Unit Rent (<i>RMB/sq.m./month</i>)	16.69	20.42	20.00
Date	Oct 2025	Oct 2025	Oct 2025
Source	58.com	58.com	58.com
Adjustment			
Nature	(5.0%)	(5.0%)	(5.0%)
Location	0.0%	(25.0%)	(25.0%)
Building Age	5.3%	1.3%	1.3%
Quality	2.0%	2.0%	2.0%
Size	(2.9%)	(3.1%)	(1.0%)
Furnishing Standard	5.0%	5.0%	5.0%
Adjusted Unit Rent (<i>RMB/sq.m./month</i>)	17.35	15.29	15.30

By applying the aforesaid adopted unit rent of RMB16.00 per sq.m. per month (round to one decimal place) to the property, we have arrived at the monthly rental valuation of circa RMB1,123,000.

				Monthly Market Rent in Existing State as at 30 November 2025								
No.	Property	Description and Tenure	Occupancy Particulars									
3	Dongguan Renkang Elderly Care Centre, No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC	The property comprises Level 13 and 14 of the ward block of Dongguan Renkang Hospital. As per a Real Estate Title Certificate and information provided by the Instructing Party, the property has a GFA of approximately 3,865.16 sq.m.. Area breakdown of the property is listed below: <table><tr><th>Portion</th><th>GFA (sq.m.)</th></tr><tr><td>A portion of the ward block</td><td>3,106.00</td></tr><tr><td>A basement unit</td><td>759.16</td></tr><tr><td>Total:</td><td>3,865.16</td></tr></table> As per the information provided by the Instructing Party, the property was completed in about 2009. The land use rights of the property were granted for a term expiring on 17 May 2054 for hospital uses.	Portion	GFA (sq.m.)	A portion of the ward block	3,106.00	A basement unit	759.16	Total:	3,865.16	As per our on-site inspection and the information provided by the Instructing Party, the property is occupied as an elderly care centre and it will be leased subject to a tenancy for a term expiring on 31 December 2028 at a monthly rent of approximately RMB64,548 for the first year with an increase of 5% annually.	RMB64,900 (RENMINBI SIXTY FOUR THOUSAND AND NINE HUNDRED)
Portion	GFA (sq.m.)											
A portion of the ward block	3,106.00											
A basement unit	759.16											
Total:	3,865.16											

Notes:

- The property was inspected by Ines Wang *MSc Real Estate Probationer of HKIS Probationer of RICS* on 5 December 2025.
 - The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®*.
 - Pursuant to a Real Estate Title Certificate dated 5 November 2009 issued by Dongguan Municipal Housing Administration Bureau, the land use rights and the building ownership of the entire ward block with a GFA of approximately 25,491.46 sq.m. were legally vested in Dongguan Tongli Enterprise Co., Ltd.. The land use rights of the Subject Building were granted for a term expiring on 17 May 2054 for hospital uses.
- As per the information provided by the Instructing Party, the property operated as Dongguan Renkang Elderly Care Centre only occupy a portion of the ward block with a GFA of 3,106 sq.m. .
- As advised by the Company, the basement unit of the property with a GFA of approximately 759.16 sq.m. is yet to be granted with proper title certificate of building ownership rights. In the course of our valuation, we have attributed no commercial rental value to the basement unit.

5. The general description and market information of the property are summarised below:

Location : The property is located at No. 88 Dongxi Road, Houjie Town, Dongguan, Guangdong Province, The PRC.

Transportation : Shenzhen Bao'an International Airport and Humen Railway Station are located approximately 46.8 kilometers and 6.4 kilometers away from the property respectively.

Nature of Surrounding Area : The area is predominately a residential and commercial area in Dongguan.

6. As per our market research and analysis, the assessed Market Rent is subject to an annual rental growth rate of 5%.

7. We have been provided with a legal opinion regarding the property by Commerce & Finance Law Offices, which contains, inter alia, the following:

- (a) Dongguan Tongli Enterprise Co., Ltd. has obtained the Real Estate Title Certificates of the property in accordance with laws;
- (b) Dongguan Tongli Enterprise Co., Ltd. has the right to occupy, use, let, mortgage or by other legal means handle the property; and
- (c) The property is not subject to any seizure or other restrictions on rights.

8. In the course of our valuation of the property, we have considered and analysed the rental comparables in the vicinity.

All rental comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type : Properties lettable for medical premises

GFA (*sq.m.*) : >1,000 and <5,000

Location : Located within Dongguan, Guangdong Province, The PRC

Time : Within 6 months from the valuation date

Based on the above selection criteria, three rental comparables with unit rents range from RMB21.30 per sq.m. per month to RMB28.57 per sq.m. per month on the basis of GFA. After due adjustments in terms of different attributes including nature, location, building age, size, quality and furnishing standard. The unit rents of the adopted comparables are adjusted to a range of RMB19.29 per sq.m. per month to RMB23.03 per sq.m. per month on the basis of GFA, which are then weighted evenly to derive the adopted unit rent of RMB20.90 per sq.m. per month on the basis of GFA. The details and adjustments of rental comparables are summarised as below:

	Comparable 1	Comparable 2	Comparable 3
Name of Development	Hansi Wealth Tower	Dashen International Business Clubhouse	Jinjuyuan Hotel
Address			
City	Dongguan	Dongguan	Dongguan
Province	Guangdong	Guangdong	Guangdong
Property Type	Property lettable for medical premises	Property lettable for medical premises	Property lettable for medical premises
Year of Completion	2024	1999	2014
GFA (sq.m.)	1,400	4,460	1,500
Monthly Rent (RMB)	40,000	95,000	33,000
Unit Rent (RMB/sq.m./month)	28.57	21.30	22.00
Date	Nov 2025	Nov 2025	Nov 2025
Source	58.com	58.com	58.com
Adjustment			
Nature	(5.0%)	(5.0%)	(5.0%)
Location	(7.5%)	(5.0%)	(3.0%)
Building Age	(5.0%)	3.3%	(1.7%)
Quality	0.0%	0.0%	0.0%
Size	(3.4%)	2.7%	(3.2%)
Furnishing Standard	0.0%	0.0%	0.0%
Adjusted Unit Rent (RMB/sq.m./month)	23.03	20.41	19.29

By applying the aforesaid adopted unit rent of RMB20.90 per sq.m. per month (round to one decimal place) to the property, we have arrived at the monthly rental valuation of circa RMB64,900.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations

Directors', Supervisors' and Chief Executive's Interests in Securities

As at the Latest Practicable Date, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(a) The Company

Name of Director	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class ⁽⁵⁾	Approximate percentage of the Company's total issued share capital ⁽⁵⁾
Mr. Wang Junyang	Domestic Shares	Interest in a controlled corporation ⁽¹⁾	222,500,000 (Long position)	89%	66.54%
Mr. Chen Wangzhi	Domestic Shares	Interest in a controlled corporation ⁽²⁾ ; family interest of spouse ⁽³⁾	27,500,000 (Long position)	11%	8.22%
Ms. Wang Aiqin	Domestic Shares	Interest in a controlled corporation ⁽²⁾ ; family interest of spouse ⁽³⁾	27,500,000 (Long position)	11%	8.22%

Name of Director	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class ⁽⁵⁾	Approximate percentage of the Company's total issued share capital ⁽⁵⁾
Mr. Wong Wai Hung	Domestic Shares	Interest in a controlled corporation ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%

Notes:

- (1) Mr. Wang Junyang holds (i) 97.46% in Kanghua Group, which in turn holds 197,500,000 Domestic Shares (long position); and (ii) 50% in Xingye Group (directly of 2% and indirectly through a controlled corporation, Dongguan Kanghua Investment Development Co., Ltd. (東莞市康華投資發展有限公司), of 48%), which in turn holds 25,000,000 Domestic shares (long position). Therefore, Mr. Wang Junyang is deemed to be interested in 222,500,000 Domestic Shares through interest in controlled corporations by virtue of the SFO.
- (2) Each of Mr. Chen Wangzhi and Ms. Wang Aiqin holds 50% in Xingda Property, which in turn holds 27,500,000 Domestic Shares (long position). Therefore, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in 27,500,000 Domestic Shares through interest in controlled corporation by virtue of the SFO.
- (3) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (4) Mr. Wong Wai Hung holds 34.0% in HH International (as defined below), which in turns holds 100% in Weishun Property (as defined below), which in turns holds 100% in Kangwei Industrial (as defined below), which in turns holds 48.0% in Xingye Group. Xingye Group held 25,000,000 Domestic Shares. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Xingye Group, Mr. Wong Wai Hung is deemed to be interested in the same number of Shares in which Xingye Group is interested by virtue of the SFO.
- (5) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as at the Latest Practicable Date.

(b) Associated corporations of the Company

Name of Director	Associated corporation	Nature of interest	Approximate percentage interest in the associated corporation
Mr. Wang Junyang	Kanghua Group	Beneficial owner	97.46%

Name of Director	Associated corporation	Nature of interest	Approximate percentage interest in the associated corporation
Mr. Wang Junyang	Xingye Group	Beneficial owner; interest in a controlled corporation ⁽¹⁾	50%
Mr. Wong Wai Hung	Xingye Group	Interest in a controlled corporation ⁽²⁾	48%
Mr. Chen Wangzhi	Xingda Property	Beneficial owner; family interest of spouse	100%
Ms. Wang Aiqin	Xingda Property	Beneficial owner; family interest of spouse	100%

Notes:

- (1) Mr. Wang Junyang holds (i) 97.46% in Kanghua Group, which in turn holds 197,500,000 Domestic Shares (long position); and (ii) 50% in Xingye Group (directly of 2% and indirectly through a controlled corporation, Dongguan Kanghua Investment Development Co., Ltd. (東莞市康華投資發展有限公司), of 48%), which in turn holds 25,000,000 Domestic shares (long position). Therefore, Mr. Wang Junyang is deemed to be interested in 222,500,000 Domestic Shares through interest in controlled corporations by virtue of the SFO.
- (2) Mr. Wong Wai Hung holds 34.0% in HH International (as defined below), which in turns holds 100% in Weishun Property (as defined below), which in turns holds 100% in Kangwei Industrial (as defined below), which in turns holds 48.0% in Xingye Group. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Kangwei Industrial, Mr. Wong Wai Hung is deemed to be interested in the same amount of interest in Xingye Group in which Kangwei Industrial is interested by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Board, none of the Directors, the Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

(a) Interests in the Shares of the Company

Name	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class ⁽⁶⁾	Approximate percentage of the Company's total issued share capital ⁽⁶⁾
Mr. Wang Junyang	Domestic Shares	Interest in a controlled corporation ⁽¹⁾	222,500,000 (Long position)	89%	66.54%
Kanghua Group	Domestic Shares	Beneficial owner ⁽¹⁾	197,500,000 (Long position)	79%	59.06%
Mr. Chen Wangzhi	Domestic Shares	Interest in a controlled corporation ⁽²⁾ ; family interest of spouse ⁽³⁾	27,500,000 (Long position)	11%	8.22%
Ms. Wang Aiqin	Domestic Shares	Interest in a controlled corporation ⁽²⁾ ; family interest of spouse ⁽³⁾	27,500,000 (Long position)	11%	8.22%

Name	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class ⁽⁶⁾	Approximate percentage of the Company's total issued share capital ⁽⁶⁾
Xingda Property	Domestic Shares	Beneficial owner ⁽²⁾	27,500,000 (Long position)	11%	8.22%
Xingye Group	Domestic Shares	Beneficial owner ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%
Mr. Wong Wai Hung	Domestic Shares	Interest in a controlled corporation ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%
HH International Investment Limited (“ HH International ”)	Domestic Shares	Interest in a controlled corporation ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%
Dongguan Weishun Property Investment Co., Ltd. (“ Weishun Property ”)	Domestic Shares	Interest in a controlled corporation ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%
Dongguan Kangwei Industrial Investment Co., Ltd. (“ Kangwei Industrial ”)	Domestic Shares	Interest in a controlled corporation ⁽⁴⁾	25,000,000 (Long position)	10%	7.48%
Wang Chi Yeung	H Shares	Beneficial owner	22,500,000 (Long position)	26.67%	6.73%
Lin Lijun (“ Mr. Lin ”)	H Shares	Interest in a controlled corporation ⁽⁵⁾	11,146,200 (Long position)	13.21%	3.33%
LVC Assets Management Limited	H Shares	Interest in a controlled corporation ⁽⁵⁾	11,146,200 (Long position)	13.21%	3.33%

Name	Class of Shares	Nature of interest	Number of Shares	Approximate percentage in Shares of the same class ⁽⁶⁾	Approximate percentage of the Company's total issued share capital ⁽⁶⁾
LVC KH Investment L.P.	H Shares	Beneficial owner ⁽⁵⁾	11,146,200 (Long position)	13.21%	3.33%
Haitian (HK) Holdings Limited (formerly named as "Haitian (HK) Financial Development Limited")	H Shares	Beneficial owner	5,052,600 (Long position)	5.98%	1.51%
Mialkos Tomasz Jakub	H Shares	Beneficial owner	5,080,900 (Long position)	6.02%	1.52%
Zhan Yongxiang	H Shares	Beneficial owner	5,021,966 (Long position)	5.95%	1.50%
Wang Jiaxian	H Shares	Beneficial owner	4,320,900 (Long position)	5.12%	1.29%

Notes:

- (1) Mr. Wang Junyang holds (i) 97.46% in Kanghua Group, which in turn holds 197,500,000 Domestic Shares (long position); and (ii) 50% in Xingye Group (directly of 2% and indirectly through a controlled corporation, Dongguan Kanghua Investment Development Co., Ltd. (東莞市康華投資發展有限公司), of 48%), which in turn holds 25,000,000 Domestic shares (long position). Therefore, Mr. Wang Junyang is deemed to be interested in 222,500,000 Domestic Shares through interest in controlled corporations by virtue of the SFO.
- (2) Each of Mr. Chen Wangzhi and Ms. Wang Aiqin holds 50% in Xingda Property, which in turn holds 27,500,000 Domestic Shares (long position). Therefore, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in 27,500,000 Domestic Shares through interest in controlled corporation by virtue of the SFO.
- (3) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.

- (4) Mr. Wong Wai Hung holds 34.0% in HH International, which in turns holds 100% in Weishun Property, which in turns holds 100% interest in Kangwei Industrial, which in turns holds 48.0% in Xingye Group. Xingye Group held 25,000,000 Domestic Shares. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Xingye Group, each of Kangwei Industrial, Weishun Property, HH International and Mr. Wong Wai Hung is deemed to be interested in the same number of Shares in which Xingye Group is interested by virtue of the SFO.
- (5) Mr. Lin holds 100% in LVC Assets Management Limited, which in turn controls LVC KH Investment L.P. Each of Mr. Lin and LVC Assets Management Limited is deemed to be interested in the same number of Shares in which LVC KH Investment L.P. is interested by virtue of SFO.
- (6) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as at the Latest Practicable Date.

(b) Substantial shareholders of other members of the Group

Name of shareholder	Name of member of the Group	Nature of interest	Approximate percentage interest held by the substantial shareholder
Kangdi Enterprise ⁽¹⁾⁽²⁾	Renkang Hospital	Beneficial owner	15%
Ms. Zhang Dandan ⁽¹⁾⁽³⁾	Renkang Hospital	Beneficial owner	15%
Ms. Wang Aier ⁽¹⁾⁽⁴⁾	Renkang Hospital	Beneficial owner	13%

Notes:

- (1) Pursuant to an entrusted management agreement, each of Kangdi Enterprise, Ms. Zhang Dandan and Ms. Wang Aier irrevocably vested their entire voting power at any general meeting of Renkang Hospital to the Company.
- (2) Kangdi Enterprise is held as to 50% by Mr. Wang Zhengren and as to 50% by Ms. Wang Keying, all of whom are members of the Wang Family and cousins of Mr. Wang Junyang.
- (3) Ms. Zhang Dandan is a member of the Wang Family and aunt-in-law of Mr. Wang Junyang.
- (4) Ms. Wang Aier is a member of the Wang Family and aunt of Mr. Wang Junyang.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

(b) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

(c) Directors' interest in contracts and assets of the Group and other interests

As at the Latest Practicable Date, save for the lease arrangements contemplated under the 2026 Lease Agreements, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

As at the Latest Practicable Date, save for service contracts of the Directors and the lease arrangements contemplated under the 2026 Lease Agreements, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

(d) Directors' interests in competing business

As at the Latest Practicable Date, in so far as the Directors were aware of, none of the Directors and their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

3. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Name	Qualification
Vincorn Consulting and Appraisal Limited	Professional property valuer

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

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2024, being the date to which the latest audited financial statements of the Group was made up.

4. MATERIAL ACQUISITION

No member of the Group has acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the Company's auditors' report or next published accounts.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

In the two years immediately preceding the Latest Practicable Date, no member of the Group has entered into any contract outside the ordinary course of business that is material to the Group.

7. GENERAL

- (a) The registered office of the Company is located at 3/F, Outpatient Zone One, Dongguan Kanghua Hospital, Nancheng Street Road, Dongguan, Guangdong Province, PRC.
- (b) The principal place of business and headquarters of the Company in China is situated at 1000 Dongguan Avenue, Dongguan, Guangdong Province PRC.

- (c) The principal place of business of the Company in Hong Kong is situated at Unit 3207, Metroplaza Tower 2, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong.
- (d) The Company's H Shares registrar and transfer office is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The joint company secretaries of the Company are Mr. Wong Wai Hang Ricky and Ms. Chau Hing Ling. Mr. Wong Wai Hang Ricky is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. Chau Hing Ling has been a fellow member of The Hong Kong Chartered Governance Institute and a fellow member of The Chartered Governance Institute in the United Kingdom since 2013.

8. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.com and the website of the Company at www.kanghuagp.com for a period of 14 days from the date of this circular:

- (1) the 2026 Kanghua Hospital Lease Agreement;
- (2) the 2026 Renkang Hospital Lease Agreement;
- (3) the 2026 Renkang Elderly Care Centre Lease Agreement;
- (4) the property valuation report from Vincorn Consulting and Appraisal Limited, the text of which is set out on pages 42 to 57 of this circular;
- (5) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 21 to 37 of this circular; and
- (6) the written consent of the experts referred to in the paragraph headed “3. Qualification and Consent of Experts” in this appendix.

9. MISCELLANEOUS

In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Guangdong Kanghua Healthcare Group Co., Ltd. (the “**Company**”) will be held at Meeting Room 1, 2nd Floor of Dongguan Kanghua Hospital Administration Center in 1000 Dongguan Avenue, Nancheng District, Dongguan, Guangdong Province, PRC on Tuesday, 3 March 2026 at 3:00 p.m. to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** the 2026 Kanghua Hospital Lease Agreement (as defined in the circular of the Company dated 4 February 2026 (the “**Circular**”)) and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and the directors of the Company (the “**Directors**”) be and are hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as they may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to the 2026 Kanghua Hospital Lease Agreement and the transactions contemplated thereunder.”
2. “**THAT** the 2026 Renkang Hospital Lease Agreement (as defined in the Circular) and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and the Directors be and are hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as they may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to the 2026 Renkang Hospital Lease Agreement and the transactions contemplated thereunder.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. “**THAT** the 2026 Renkang Elderly Care Centre Lease Agreement (as defined in the Circular) and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and the Directors be and are hereby authorised to sign, execute, seal (where required) and deliver all such documents and take such action as they may deem necessary, desirable, expedient or appropriate in connection with or to implement or give effect to the 2026 Renkang Elderly Care Centre Lease Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 4 February 2026

As at the date of this notice, 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

Notes:

1. Closure of register of members of H Shares and ascertaining of eligibility for attending the EGM

The register of members of H Shares of the Company will be closed from Thursday, 26 February 2026 to Tuesday, 3 March 2026, both days inclusive, during which no transfer of H Shares will be registered. In order to qualify for attending the EGM and vote for all resolutions to be submitted thereat, all transfer instruments of the H Shares together with the relevant share certificates shall be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m., on Wednesday, 25 February 2026 for registration.

2. Proxy

- (a) Each shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. A proxy need not be a shareholder of the Company.
- (b) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) To be valid, for holders of H Shares, the form of proxy and notarised power of attorney or other document of authorisation (if any) must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM (i.e. before 3:00 p.m. on 2 March 2026) or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.
- (d) Any voting at the EGM shall be taken by poll.

3. Registration procedures for attending the EGM

- (a) A shareholder or his proxy should present proof of identity when attending the EGM. If a shareholder is a legal person, its legal representative or other person authorised by the Board or other governing body of such shareholder may attend the EGM by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- (b) Shareholders of the Company intending to attend the EGM in person or by their proxies should complete and return the form of proxy for attending the EGM on or before 3:00 p.m., on Monday, 2 March 2026 to (a) the Company's principal place of business in Hong Kong at Unit 3207, Metroplaza Tower 2, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong (for holders of Domestic Shares); or (b) Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares).
- (c) A shareholder may return the above form of proxy in person, by post or by facsimile to the Company's principal place of business in Hong Kong (for holders of Domestic Shares) or the office of Computershare Hong Kong Investor Services Limited (for holders of H Shares).
- (d) Shareholders or proxies attending the EGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. The votes abstained will be counted in the calculation of the required majority.

4. Voting method at the EGM

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the EGM will demand a poll in relation to all the proposed resolutions at the EGM.

5. Miscellaneous

- (a) The EGM is expected to take no more than half a day.
- (b) Shareholders who attend the EGM shall bear their own travelling and accommodation expenses. The address of the Company's H Share Registrar is: Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong.