

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONNECTED TRANSACTION
ENTERING INTO A LOAN AGREEMENT**

LOAN AGREEMENT

The Board hereby announces that on 19 May 2026, the Loan Agreement was entered into among Renkang Hospital (as the Lender), Tongli Enterprise (as the Borrower) and Renkang Elderly Care Centre, pursuant to which the Lender has agreed to grant the Loan to the Borrower of an aggregate principal amount not exceeding RMB28,000,000 for a term of two years from the date of the first drawdown. The Loan is to be used by the Borrower for the construction of a new elderly care centre building complex on the Borrower's land to accommodate the expansion of Renkang Elderly Care Centre, which shall be constructed strictly in accordance with the design plans, specifications, technical requirements and construction schedule determined by the Lender and Renkang Elderly Care Centre, and shall be leased to Renkang Elderly Care Centre upon completion. The Loan is secured by the Guarantee executed by Mr. Wang Junyang (the Guarantor), an executive Director, the chairman and a controlling Shareholder of the Company, in favour of the Lender.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Renkang Hospital is a non-wholly-owned subsidiary of the Company, and as Mr. Wang Junyang, being an executive Director and a controlling Shareholder under the Listing Rules, controls more than 30% of equity interest in Tongli Enterprise, Tongli Enterprise is a connected person under Rule 14.07(4) of the Listing Rules. Accordingly, the Group's transactions with Tongli Enterprise under the Loan Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Tongli Enterprise is regarded as a connected person under Rule 14.07(4) of the Listing Rules. The Group's transaction with Tongli Enterprise under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Loan Agreement and the transactions contemplated thereunder are subject to the highest applicable percentage ratio defined under Rule 14.07 of the Listing Rules exceeding 0.1% but below 5%, the Loan Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the independent Shareholders' approval requirement under chapter 14A of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 19 May 2026, Renkang Hospital (as the Lender) entered into the Loan Agreement with Tongli Enterprise (as the Borrower) and Renkang Elderly Care Centre, pursuant to which the Lender agreed to grant to the Borrower a loan of an aggregate principal amount not exceeding RMB28,000,000 for a term of two years from the date of the first drawdown, subject to the terms and conditions set out therein. The Loan is designated for the construction of a new elderly care centre building complex on the Borrower's land for use by Renkang Elderly Care Centre to accommodate the expansion of Renkang Elderly Care Centre, which shall be constructed strictly in accordance with the design plans, specifications, technical requirements and construction schedule as determined by the Lender and Renkang Elderly Care Centre, and shall be leased to Renkang Elderly Care Centre upon completion. The Loan is secured by the Guarantee executed by Mr. Wang Junyang (the Guarantor), an executive Director, the chairman and a controlling Shareholder of the Company, in favour of the Lender as a continuing security for the Borrower's obligations under the Loan Agreement.

THE PRINCIPAL TERMS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

Date	: 19 May 2026
Lender	: Renkang Hospital
Borrower	: Tongli Enterprise
Principal amount	: An aggregate amount not exceeding RMB28,000,000
Term	: Two years from the date of the first drawdown
Interest rate	: Non-interest bearing (interest-free)

- Use of Loan:** : For the construction of a new elderly care centre building complex on the land owned by Tongli Enterprise, which shall be constructed strictly in accordance with the design plans, specifications, technical requirements and construction schedule as determined by the Lender and Renkang Elderly Care Centre, and shall be leased to Renkang Elderly Care Centre upon completion on terms to be separately agreed among the parties on normal commercial terms with reference to the valuation by an independent valuer.
- Early repayment term** : The Borrower may repay all or part of the loan early on any business day given the Borrower shall notify the Lender in writing 5 business days prior to the proposed early repayment date, specifying the amount to be repaid and the date of repayment.
- Repayment terms** : The principal of all outstanding Loan shall be repaid in a lump sum on the repayment date. Notwithstanding any provisions to the contrary, the Loan shall be repayable by the Borrower on demand at the Lender's sole discretion with one month's prior notice, upon the expiration of such notice period, the Loan, together with all other amounts accrued or outstanding under the Loan Agreement shall become immediately due and payable.
- Notwithstanding the foregoing, the parties may separately negotiate and agree on alternative repayment arrangements, including but not limited to the set-off of amounts repayable by the Borrower under the Loan against rent payable by Renkang Elderly Care Centre to the Borrower under the lease arrangements contemplated herein.
- Guarantee** : The Loan is secured by the Guarantee executed by Mr. Wang Junyang (the Guarantor), an executive Director, the chairman and a controlling Shareholder of the Company, in favour of the Lender as a continuing security and continuing obligation for performance by the Borrower of its obligations under the Loan Agreement.

Pursuant to the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed and undertaken as principal obligor, upon demand by the Lender at any time, to pay any and all sums which are or at any time may become payable by the Borrower under the Loan Agreement, whether in respect of the Loan principal, default interest, fees or any other amounts whatsoever, and to be responsible for all costs and expenses incurred by the Lender in enforcing its rights under the Loan Agreement and the Guarantee.

Default

- : If the Borrower fails to repay the principal of the loan or commits any of the default events as specified under the Loan Agreement, the Lender shall have the right to declare the loan and any amounts to be paid under the Loan Agreement to be immediately payable or exercise all or any of the rights or compensation under the Loan Agreement.

If the Borrower fails to use the Loan for the purposes stipulated in the Loan Agreement, has failed to repay the Loan on time, or has committed any other breach of the Loan Agreement, the Lender shall be entitled to charge default interest at the rate of 0.05% per day on the amount in default for the period of such default, and may also require early repayment of the entire outstanding principal amount of the Loan and cease further disbursement of any undrawn amounts under the Loan Agreement.

Conditions precedent

- : The drawdown of the Loan is conditional upon certain conditions precedent, in particular the following, being fulfilled:
- (a) the Lender being satisfied with the results of all technical, legal, financial, operational due diligence on the Borrower and there has been no Material Adverse Effect since the date of signing the Loan Agreement;
 - (b) each of the parties to the Loan Agreement having obtained all necessary internal approvals pursuant to its respective internal management procedures, and all necessary consents, approvals, authorizations and licenses in relation to the Loan Agreement having been obtained;
 - (c) the Guarantee being duly executed by the Guarantor; and

- (d) all authorizations have been obtained and all necessary filings, registrations and other formalities (including without limitation, the approval requirements under the Listing Rules and applicable laws and rules in Hong Kong) have been or will be completed in order to ensure that the Loan is valid and enforceable.

Security : The loan does not require any assets of the Borrower as security.

Inspection rights : The Lender and Renkang Elderly Care Centre shall have the right to inspect and monitor the use of the Loan proceeds, and to review the Borrower's plan execution, business operations, financial activities, financial records and construction progress of the new elderly care centre building complex. The Borrower shall provide complete and accurate information in respect of the foregoing to the Lender and Renkang Elderly Care Centre.

INFORMATION OF THE PARTIES

The Company and the Group

The Company is a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange. 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.

The Lender

Renkang Hospital (the operations of which are located in Houjie Town, Dongguan, Guangdong Province) is a general hospital owned and operated by the Group. Renkang Hospital belongs to the hospital services segment of the Group.

The Borrower

Tongli Enterprise is a limited liability company established in the PRC and is principally engaged in investment holding. Tongli Enterprise is held by members of the Wang Family, as more particularly described in "Definitions – Tongli Enterprise" in this announcement.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

Renkang Elderly Care Centre has experienced rapid business growth in recent years, and its bed capacity has reached its upper limit. To support the continued operation and development of Renkang Elderly Care Centre, Tongli Enterprise has agreed to construct a new elderly care centre building complex on its land plot at No. 88, Dongxi Road, Xitou Village, Houjie Town, Dongguan City, Guangdong Province, and to lease it to Renkang Elderly Care Centre upon completion. Pursuant to the Loan Agreement, the new elderly care centre building complex shall be constructed strictly in accordance with the design plans, specifications, technical requirements and construction schedule as determined by the Lender and Renkang Elderly Care Centre, and the Borrower is required to report regularly to the Lender and Renkang Elderly Care Centre on the construction progress and provide updates upon request. This arrangement ensures that the new facility will be purpose-built to meet the operational and clinical standards required by the Group for the provision of elderly healthcare services, thereby safeguarding the Group's interests in the quality and suitability of the premises. Considering Tongli Enterprise's limited existing funds, Renkang Hospital, as the shareholder holding 100% equity interest in Renkang Elderly Care Centre, is willing to lend its own funds to Tongli Enterprise for the construction of the new elderly care centre building complex in accordance with the terms and conditions stipulated in the Loan Agreement. The lease of the new elderly care centre building complex upon completion shall be on normal commercial terms to be separately agreed among the parties, with the rental to be determined on a fair and reasonable basis with reference to the valuation by an independent valuer, and subject to compliance with the applicable requirements under the Listing Rules.

The Loan is secured by the Guarantee executed by Mr. Wang Junyang, an executive Director, the chairman and a controlling Shareholder of the Company, in favour of the Lender. In view of the Guarantee provided by Mr. Wang Junyang as a controlling Shareholder of the Company, the Board does not consider there to be any material default risk in respect of the Loan. The Board notes that the Loan is non-interest bearing. In this regard, the Board considers that the Loan should not be characterised as a conventional commercial lending arrangement, as the sole purpose of the Loan is to fund the construction of a facility that is specifically designed and purpose-built for the use of Renkang Elderly Care Centre, a wholly-owned subsidiary of the Lender. As the land on which the new elderly care centre building complex is to be constructed is owned by the Borrower rather than the Group, it is commercially appropriate for the Borrower to undertake the construction and to lease the completed facility back to Renkang Elderly Care Centre. In these circumstances, the Board considers that the interest-free arrangement is fair and reasonable and in the interests of the Company and its Shareholders as a whole, as the Group will ultimately benefit from the expanded elderly healthcare facilities through the lease arrangement on normal commercial terms.

The Loan will be funded by Renkang Hospital's internal surplus operating funds generated from its hospital operations. The Board confirms that Renkang Hospital has sufficient working capital to fund the Loan and that the provision of the Loan will not have a material adverse impact on the day-to-day operations or the working capital position of Renkang Hospital or the Group as a whole.

As a whole, the Board considers that the Loan Agreement and the transactions contemplated thereunder are entered into to facilitate the expansion of the elderly healthcare services of Renkang Elderly Care Centre, which is in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that transactions contemplated under the Loan Agreement will be conducted in the ordinary and usual course of business of the Group and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Tongli Enterprise is held by members of the Wang Family. As Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin are members of the Wang Family, each of them is considered to have a material interest in the Loan Agreement and the transaction contemplated thereunder. Accordingly, each of Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung and Ms. Wang Aiqin has abstained from voting on the relevant Board resolution(s) approving the Loan Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Loan Agreement or the transaction contemplated thereunder, and none was required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

As Mr. Wang Junyang, being an executive Director and a controlling Shareholder under the Listing Rules, controls more than 30% of equity interest in Tongli Enterprise, Tongli Enterprise is a connected person under Rule 14.07(4) of the Listing Rules. Accordingly, the Group's transactions with Tongli Enterprise under the Loan Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest relevant percentage ratio in respect of the Loan is, on an aggregated basis, more than 0.1% but less than 5%, the Loan Agreement would be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Borrower”	Tongli Enterprise

“Company”	Guangdong Kanghua Healthcare Group Co., Ltd.* (廣東康華醫療集團股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (Stock code: 3689)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee agreement dated 19 May 2026 executed by the Guarantor in favour of the Lender as a continuing security for the Borrower’s obligations under the Loan Agreement
“Guarantor”	Mr. Wang Junyang (王君揚), an executive Director, the chairman and a controlling Shareholder of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of an aggregate amount not exceeding RMB28,000,000 to be provided by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 May 2026 entered into among Renkang Hospital (as lender), Tongli Enterprise (as borrower) and Renkang Elderly Care Centre in respect of the grant of a loan in the aggregate principal amount not exceeding RMB28,000,000, interest-free, for a term of two years from the date of the first drawdown
“Material Adverse Effect”	any event, circumstance, change or effect that is, or would reasonably be expected to be, materially adverse to the business, assets, liabilities, financial condition or results of operations of the Borrower, or the ability of the Borrower to perform its obligations under the Loan Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“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 Dongguan Kangdi Enterprise Co., Ltd. (東莞市康帝實業有限公司), 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tongli Enterprise”	Dongguan Tongli Enterprise Co., Ltd.* (東莞市同力實業有限公司), a limited liability company established in the PRC on 23 June 2003 with 43% of its equity interest being held by Ms. Wang Aiqin, 29% by Ms. Wang Aici, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier respectively, all of whom are members of the Wang Family, being aunts of Mr. Wang Junyang. Pursuant to a nominee arrangement among the Wang Family, (i) Ms. Wang Aici (an aunt of Mr. Wang Junyang) agreed to hold 16% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang; (ii) Ms. Wang Aiqin (an aunt of Mr. Wang Junyang and the spouse of Mr. Chen Wangzhi) agreed to hold 15% and 6.5% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang and Mr. Chen Wangzhi, respectively; and (iii) Ms. Wang Aiqin agreed to hold 15% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Wencheng, a member of the Wang Family

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

“%” per cent

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

Hong Kong, 19 May 2026

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

Executive Directors:

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

Independent non-executive Directors:

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

Non-executive Director:

Mr. Jiang Xiwen

* For identification purpose only