

CONNECTED TRANSACTIONS

Upon the [REDACTED], the following transactions between our connected persons and us will constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

RELEVANT CONNECTED PERSONS

The following entities with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules:

Connected Persons	Connected Relationship
Da An Gene Group The Registered Shareholders	Da An Gene is a Controlling Shareholder The Registered Shareholders are the shareholders of Yunkang Industry

CONTINUING CONNECTED TRANSACTIONS

The following table sets forth a summary of our continuing connected transactions:

<u>Transaction</u>	<u>Applicable Listing Rules</u>	<u>Waiver sought</u>	<u>Proposed annual caps (’000 RMB) for the year ending December 31,</u>		
			2022	2023	2024
Fully exempt continuing connected transactions					
Physical Examination Service Framework Agreement	14A.76(1)(a)	N/A	N/A	N/A	N/A
Non-exempt continuing connected transactions					
Property Lease Agreement	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from announcement requirement	3,280	3,572	3,890
Laboratory Testing Service Framework Agreement	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from announcement requirement	14,134	15,830	17,729

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<u>Transaction</u>	<u>Applicable Listing Rules</u>	<u>Waiver sought</u>	<u>Proposed annual caps ('000 RMB) for the year ending December 31,</u>		
			2022	2023	2024
Reagents, Consumables and Equipment Procurement Framework Agreement	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from announcement requirement and independent shareholders' approval requirements	166,326	174,638	186,519
Contractual Arrangements	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71	Waiver from (i) announcement requirement and independent shareholders' approval requirements; (ii) setting annual cap; and (iii) limiting the period of agreement to a fixed term	N/A	N/A	N/A

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following continuing connected transactions which will be exempt from the annual review, reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, as further discussed below.

Physical Examination Service Framework Agreement

Principal terms

Our Company entered into a Physical Examination Service Framework Agreement with Da An Gene on February 18, 2022, pursuant to which we agreed to provide physical examination service to Da An Gene Group.

The term of the Physical Examination Service Framework Agreement is three years commencing from the [REDACTED]. We have the right to terminate the Physical Examination Service Framework Agreement by serving a thirty (30) Business Days' prior written notice to Da An Gene.

CONNECTED TRANSACTIONS

Pricing Policy

The service fee under the Physical Examination Service Framework Agreement was determined by both parties through arm’s length negotiation with reference to the government-guided price published by national and provincial diagnostic testing pricing protocol issued by Government authorities such as Healthcare Security Administration of Guangdong Province or Guangdong Provincial Health Commission, which may vary among different regions and different hospitals, less the discount to be given by the Group having regard to (a) the discount previously given to other independent customers with similar corporate size; and (b) the cost incurred in respect of the provision of such diagnostic testing services.

Reasons for the Transactions

We offer diagnostic testing services for non-medical institutions, including financial institutions and insurance companies, which mainly include personalized diagnostic testing, medical report consultation and hospital referral services. Da An Gene provides physical examination to their employees once a year which requires the Group to provide them with diagnostic testing services such as blood tests, liver function tests and kidney function tests. Our Group will only provide diagnostic testing services (instead of physical examination services) incidental to the physical examination services provided by Da An Gene to their employees. We believe that it is in our ordinary course of business to provide diagnostic testing services to Da An Gene Group, as if to other third-party clients.

Historical Amounts

The transaction amount under the Physical Examination Service Framework Agreement for the years ended December 31, 2018, 2019, 2020 and 2021 is listed below:

Item	For the year ended December 31,			
	2018	2019	2020	2021
	(RMB’000)	(RMB’000)	(RMB’000)	(RMB’000)
Physical examination service	220	284	395	784

Implications under the Listing Rules

The transactions under the Physical Examination Service Framework Agreement are de minimis transactions and are fully exempt from the annual review, reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Property Lease Agreement

Principal terms

Our Group entered into a property lease agreement with Da An Gene on January 1, 2021 (the “**Property Lease Agreement**”), pursuant to which Da An Gene agreed to let certain area with a total gross floor area of approximately 10,405.69 sq.m. located at No. 6, Lizhishan Road, Menggang District, Guangzhou (the “**Leased Premises**”) to our Group. The Property Lease Agreement has a term commencing from January 1, 2021 till December 31, 2022. It is expected that the Group will renew the Property Lease Agreement on the same or similar terms after the due date of the current Property Lease Agreement.

The Property Lease Agreement was entered into (i) in the ordinary and usual course of business of our Group; (ii) on arm’s length basis; and (iii) on normal commercial terms with the rent being determined with reference to, among others, the prevailing market rates for similar properties in the same area.

The addition of right-of-assets from the lease of the Da An Gene in relation to the Property Lease Arrangement for the years ended December 31, 2018, 2019, 2020 and 2021 was RMB10.1 million, nil, nil and RMB7.1 million, respectively. The expense relating to short term and low-value lease for the years ended December 31, 2018, 2019, 2020 and 2021 was RMB0.2 million, RMB0.2 million, RMB0.1 million and RMB0.1 million, respectively.

Pricing Policy

The property management fee and water and electricity fees were arrived at after arm’s length negotiation between the parties with reference to (i) the area of the Leased Premises; (ii) the prevailing market rent in respect of the properties of the same or similar nature with similar appraised value in the same region; (iii) the estimated changes in the prevailing market rent in the future and (iv) the water and electricity fees prescribed by the NDRC and the actual usage of water and electricity.

Reasons for the Transactions

The properties we leased from Da An Gene are mainly used for our daily operations and office use. Any relocation of our offices may cause material disruption to our business operations and would incur additional cost. We believe the continuation of such leases is cost efficient and is in the best interest of our Group and our Shareholders as a whole.

As we have been occupying the properties leased from Da An Gene, we have also been using their property management service.

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Historical Amounts

Pursuant to the Property Lease Agreement, we also agreed to pay to Da An Gene (i) management fee; and (ii) water and electricity fees. The aggregate amount of management fee and water and electricity fees for the years ended December 31, 2018, 2019, 2020 and 2021 was RMB2.5 million, RMB2.3 million, RMB2.6 million and RMB3.2 million, respectively.

Annual Caps

Our Company estimates that the annual caps of the transactions under the Property Lease Agreement for the indicated period is listed below:

Item	For the year ended December 31,		
	2022	2023	2024
	(RMB'000)	(RMB'000)	(RMB'000)
Property Management Fee and Water and Electricity Fees	3,280	3,572	3,890

The proposed annual caps have been estimated based on (i) the property management fee required to be paid under the Property Lease Agreement; and (ii) the historical transaction amount paid by us for the water and electricity fees during the Track Record Period; and (iii) the estimated water and electricity fees payable by us.

Implication under the Listing Rules

In accordance with HKFRS 16 “Leases”, the Company recognized a right-of-use asset on its balance sheet in connection with the lease of the properties from Da An Gene. Therefore, the lease of the Leased Premises from Da An Gene under the Property Lease Agreement will be regarded as an acquisition of a capital asset and a one-off connected transaction of the Company for the purposes of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders’ approval requirements in Chapter 14A of the Listing Rules will not be applicable.

As the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will not exceed 5% on an annual basis, transactions in relation to the payment of property management fees and water and electricity fees payable under the Property Lease Agreement qualify under Rule 14A.76(2) of the Listing Rules as continuing connected transactions exempt from the circular and shareholders’ approval requirements but are subject to the relevant annual reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

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Laboratory Testing Service Framework Agreement

Principal terms

Our Company entered into a Laboratory Testing Service Framework Agreement with Da An Gene on February 18, 2022, pursuant to which Da An Gene Group agreed to provide laboratory testing service to our Group.

The term of the Laboratory Testing Service Framework Agreement is three years commencing from the [REDACTED]. We have the right to terminate the Laboratory Testing Service Framework Agreement by serving a thirty (30) Business Days’ prior written notice to Da An Gene.

Pricing Policy

The service fee under the Laboratory Testing Service Framework Agreement was determined by both parties through arm’s length negotiation with reference to (i) the cost to be incurred in performing such laboratory testing services by ourselves; and (ii) comparable market rate offered by other independent suppliers for providing laboratory testing services of similar types and nature. We will obtain quotations from not less than two independent suppliers that provide similar services before we place our orders to Da An Gene Group. Based on our experience to conduct the test by ourselves and also the fee quotes provided by other independent suppliers, we will be able to ensure that the service fees to be paid to Da An Gene Group by our Group represents the prevailing market price and on normal commercial terms.

Reasons for the Transactions

Some of our testing procedures are sophisticated and we engage third-party laboratories with specific technical skills to perform certain procedures in the test to save costs. Although we are able to perform the testing that we procure from third parties on our own, the cost for such testing may be higher due to the lack of scale. As the location of its laboratories is close to us, Da An Gene Group is able to efficiently complete our testing tasks and respond to our requirements. We believe it is in our ordinary course of business to procure laboratory testing service from Da An Gene Group.

CONNECTED TRANSACTIONS

Historical Amounts

The transaction amount under the Laboratory Testing Service Framework Agreement for the years ended December 31, 2018, 2019, 2020 and 2021 is as follows:

Item	For the year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Laboratory Testing Service	28,037	28,310	22,325 ^(Note)	14,549 ^(Note)

Note: the decrease in the transaction amount in 2020 was mainly due to the decline in the volume of testing items related to genetic disease diagnostic testing services as a result of COVID-19. Following the COVID-19 outbreak, there is a decrease in demand for genetic disease diagnostic testing service provided by the Group since individuals tend to avoid exposure to high-risk healthcare environments such as medical institutions to reduce the chance of infection of COVID-19. The small transaction amount for the year ended December 31, 2021 was mainly due to the use of new on-site diagnostic centers and the increase in the number of such centers. The Group has been gradually conducted one of its testing services, non-invasive prenatal tests (“NIPT”) services, through the on-site diagnostic centers instead of procuring them from Da An Gene Group, as it is more efficient that the test samples do not need to be sent to Da An Gene Group.

Annual Caps

Our Company estimates that the annual caps of the transactions under the Laboratory Testing Service Framework Agreement for the indicated period is listed below:

Item	For the year ended December 31,		
	2022	2023	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Laboratory Testing Service	14,134	15,830	17,729

The proposed annual caps have been estimated based on: (i) the historical transaction amount paid by us for the laboratory testing service to Da An Gene Group during the Track Record Period taking into account the Group’s plan to conduct NIPT services through on-site diagnostic centers and the expected increase in demand for the genetic testing services provided by Da An Gene Group which is stimulated by the Three-child policy announced in May 2021; (ii) the expected number of up to approximately 62,000 testings to be procured from Da An Gene Group for each of the three years ending December 31, 2022, 2023 and 2024, taking into account our plan to cooperate with Da An Gene Group on testing items for diagnosis of acute and critical diseases which has commenced in March 2021; and (iii) the expected purchase price of such laboratory testing service as determined with reference to the prevailing market price.

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Implications under the Listing Rules

As the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will not exceed 5% on an annual basis, transactions conducted under the Laboratory Testing Service Framework Agreement qualify under Rule 14A.76(2) of the Listing Rules as continuing connected transactions exempt from the circular (including independent financial advice) and shareholders’ approval requirements but are subject to the relevant annual reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

Reagents, Consumables and Equipment Procurement Framework Agreement

Principal terms

Our Company entered into a Reagents, Consumables and Equipment Procurement Framework Agreement with Da An Gene on February 18, 2022, pursuant to which we agreed to procure reagents, consumables and equipment from Da An Gene Group.

The term of the Reagents, Consumables and Equipment Procurement Framework Agreement is three years commencing from the [REDACTED]. We have the right to terminate the Reagents, Consumables and Equipment Procurement Framework Agreement by serving a thirty (30) Business Days’ prior written notice to Da An Gene.

Pricing Policy

The prices of the reagents, consumables and equipment under the Reagents, Consumables and Equipment Procurement Framework Agreement were determined by both parties through arm’s length negotiation with reference to the prevailing market price of similar reagents, consumables and equipment offered by independent suppliers. We will obtain quotation from not less than two independent suppliers that provide similar reagents, consumables and equipment before we place our orders to Da An Gene Group. Based on the fee quotes provided by other independent suppliers, we will be able to ensure that the purchase price to be paid to Da An Gene Group by our Group represents the prevailing market price and on normal commercial terms. The Directors are of the view that the independent suppliers in the market could supply the same or similar reagents, consumables and equipment covered under the Reagents, Consumables and Equipment Procurement Framework Agreement with Da An Gene. Typically there are two to five alternative independent suppliers for each type of reagents, consumables and equipment covered under the Reagents, Consumables and Equipment Procurement Framework Agreement. The Directors are also further of the view that there will not be any material increase if the Group had to procure reagents, consumables and equipment from alternative suppliers as the procurement price with Da An Gene represents the prevailing market price and on normal commercial terms. Even if the Company purchased from other independent suppliers other than Da An Gene, the Group will still obtain quotations from not less than two independent suppliers that provide similar reagents, consumables and equipment before placing orders to ensure that the procurement price is consistent with the market price.

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Reasons for the Transactions

Da An Gene Group has been a reliable supplier in the long-time cooperation with us. It is also one of the leading suppliers of certain testing reagents in the industry. We believe it is in our ordinary course of business to procure reagents, consumables and equipment to support our diagnostic testing service from Da An Gene Group as if from our other suppliers.

Historical Amounts

The transaction amount under the Reagents, Consumables and Equipment Procurement Framework Agreement for the years ended December 31, 2018, 2019, 2020 and 2021 is listed below:

Item	For the year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Reagents, consumables and equipments	33,849	20,649	56,655 ^(Note)	201,408 ^(Note)

Note: the increase in the transaction amount in 2020 and 2021 was mainly due to the increase in the purchase amount of reagents, consumables and equipment in view of the unpredictable demand of COVID-19 tests. The significant increase in the transaction amount for the last four months in 2021 was mainly because (i) the purchase amount of reagents and consumables increased due to the increase in demand of COVID-19 tests and the preparation of expected demand during the Chinese New Year; and (ii) we procured more equipment in relation to COVID-19 tests from Da An Gene in order to enhance our testing capabilities.

Annual Caps

Our Company estimates that the annual caps of the transactions under the Reagents, Consumables and Equipment Procurement Framework Agreement for the indicated period is listed below:

Item	For the year ended December 31,		
	2022	2023	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Reagents, consumables and equipments	166,326	174,638	186,519

The proposed annual caps have been estimated based on: (i) the historical transaction amount paid by us for the procurement from Da An Gene Group during the Track Record Period; (ii) the expected need of our Company for the reagents, consumables and equipment with estimated number of up to 1.12 million units of reagents and certain number of equipment for each of the years ending December 31, 2022, 2023 and 2024; and (iii) the expected need

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of the reagents, consumables and equipment related to COVID-19 testing. The decrease in the expected transaction amount compared to the historical amount in 2021 is primarily due to significant increase in purchase of reagents, consumables and equipment related to COVID-19 testing in the last four months of 2021 which are expected to satisfy the needs for COVID-19 testing during the first quarter of 2022.

Implications under the Listing Rules

As one or more of the applicable percentage ratios (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis, transactions conducted under the Reagents, Consumables and Equipment Procurement Framework Agreement shall be subject to annual review, reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Contractual Arrangements

Background

As disclosed in the section headed “Contractual Arrangements” in this document, due to regulatory restrictions on foreign ownership in the PRC, we conduct a substantial portion of our business through our Consolidated Affiliated Entities in the PRC. We do not hold any equity interests in our Consolidated Affiliated Entities which are held by the Registered Shareholders. The Contractual Arrangements among Yunkang Technology, the Registered Shareholders, Yunkang Industry and its subsidiaries enable us to (i) receive substantially all of the economic benefits from our Consolidated Affiliated Entities in consideration for the services provided by Yunkang Technology to the Consolidated Affiliated Entities; (ii) exercise effective control over our Consolidated Affiliated Entities through the Yunkang Industry; and (iii) hold an exclusive option to purchase all or part of the equity interests in Yunkang Industry and its subsidiaries when and to the extent permitted by PRC laws. See the section headed “Contractual Arrangements” in this document for detailed terms of the Contractual Arrangements.

Listing Rules Implications

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Group and are subject to reporting, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Our Directors, including our independent non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group’s legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group’s business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under

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Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

WAIVER APPLICATIONS

The Property Lease Agreement, the Laboratory Testing Service Framework Agreement and the Reagents, Consumables and Equipment Purchase Framework Agreement

By virtue of Rule 14A.76(2) of the Listing Rules, (i) the transactions under the Property Lease Agreement and the Laboratory Testing Service Framework Agreement will constitute continuing connected transactions subject to reporting, annual review, announcement but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the transactions under the Reagents, Consumables and Equipment Purchase Framework Agreement will constitute continuing connected transactions subject to reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the above non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors consider that compliance with the above announcement and/or independent shareholders' approval requirements would be impractical, would add unnecessary administrative costs to us and would be unduly burdensome to us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement and independent shareholders' approval requirements in respect of the above non-exempt continuing connected transactions. In addition, we confirm that we will comply with the Listing Rules in relation to the non-exempt continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, our Company will take immediate steps to ensure compliance with such new requirements within a reasonable time.

The Contractual Arrangements

In relation to the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an

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annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as [REDACTED] subject however to the following conditions:

(a) No change without independent non-executive Directors’ approval

No changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent non-executive Directors.

(b) No Change without Independent Shareholders’ Approval

Save as described in paragraph (d) below, no changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent Shareholders. Once independent Shareholders’ approval of any change has been obtained, no further announcement or approval of the independent Shareholders, will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (c) below) will however continue to be applicable.

(c) Economic Benefits Flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through: (i) our Group’s potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in and/or assets of the Consolidated Affiliated Entities; (ii) the business structure under which the net profits generated by the Consolidated Affiliated Entities (after deducting the necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year) is substantially retained by us (such that no annual caps shall be set on the amount of services fees payable to Yunkang Technology under the Exclusive Business Cooperation Agreement); and (iii) our right to control the management and operation of, as well as, in substance, all of the voting rights of the Consolidated Affiliated Entities.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as described under the section headed “Contractual Arrangements” in this document. The directors, chief executive or substantial shareholders of any existing or new wholly foreign-owned enterprise

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or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish when justified by business expediency will, upon renewal and/or cloning of the Contractual Arrangements, however be treated as our Group’s connected persons and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant PRC laws, regulations and approvals.

(e) Ongoing Reporting and Approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

- (i) The Contractual Arrangements in place during each financial period will be disclosed in our annual report and accounts in accordance with the relevant provisions of the Listing Rules.
- (ii) Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our annual report and accounts for the relevant year that:
 - (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements;
 - (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and
 - (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.
- (iii) Our auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions carried out pursuant to the Contractual Arrangements have received the approval of our Directors and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.
- (iv) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of “connected person” the Consolidated Affiliated Entities will be treated as the Company’s wholly-owned subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Consolidated Affiliated Entities and its associates will be treated as the Company’s “connected persons.” As such, transactions between these connected persons and our Group (including, for this purpose, the Consolidated Affiliated Entities) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

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The Consolidated Affiliated Entities further undertake that, for so long as [REDACTED], the Consolidated Affiliated Entities will provide our Group’s management and our auditors with full access to its relevant records for the purpose of procedures to be carried out by our auditors’ on the connected transactions.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been and will be entered into during our ordinary and usual course of business on normal commercial terms or terms better to us, and are fair and reasonable and in the interest of us and our Shareholders as a whole; and (ii) the proposed annual caps for these transactions (where applicable) are fair and reasonable and in the interest of us and our Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

Based on the documentation and data provided by our Company and participation in due diligence and discussions with us, the Joint Sponsors are of the view that: (i) the Contractual Arrangements are fundamental to our Group’s legal structure and business operations; (ii) the continuing connected transactions have been entered into in the ordinary and usual course of business of our Company on normal commercial terms which are fair and reasonable, and in the interests of our Company and our Shareholders as a whole; and (iii) the proposed annual caps in respect of such transactions (where applicable) are fair and reasonable and in the interests of our Company and our Shareholders as a whole.