

---

## CONNECTED TRANSACTIONS

---

### OVERVIEW

Prior to the [REDACTED], our Group has entered into certain transactions with parties who will, upon the [REDACTED], become connected persons of our Company. We will continue to engage in certain connected transactions after the [REDACTED]. Details of such one-off connected transactions and continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon [REDACTED] are set out below.

### RELEVANT CONNECTED PERSONS

The table below sets forth certain parties who will become our connected persons upon [REDACTED] and the nature of their relationships with our Company:

<u>Connected Persons</u>	<u>Connected Relationship</u>
Hisun Pharmaceutical . . . . .	As of the Latest Practicable Date, Hisun Pharmaceutical is a controlling shareholder of our Company. Therefore, Hisun Pharmaceutical is a connected person to us.
Hanhui Pharmaceutical Co., Ltd. (瀚暉製藥有限公司) (“ <b>Hanhui Pharmaceutical</b> ”) . . . . .	Hanhui Pharmaceutical is a wholly-owned subsidiary of Hisun Pharmaceutical and a connected person to us.
Hisun Pharmaceutical (Hangzhou) Co., Ltd. (海正藥業(杭州)有限公司) (“ <b>Hisun Hangzhou</b> ”) . . . . .	Hisun Hangzhou is a wholly-owned subsidiary of Hisun Pharmaceutical and a connected person to us.
Zhejiang Yunsheng Synthetic Biotechnology Co., Ltd. (浙江 云生合成生物科技股份有限公司) (“ <b>Zhejiang Yunsheng</b> ”) . . . . .	Zhejiang Yunsheng is a non-wholly-owned subsidiary of Hisun Pharmaceutical and a connected person to us.

---

## CONNECTED TRANSACTIONS

---

<u>Connected Persons</u>	<u>Connected Relationship</u>
Zhejiang Provincial Pharmaceutical Industry Co., Ltd. (浙江省醫藥工業有限公司) (“ <b>Zhejiang Provincial Pharmaceutical Industry</b> ”) . . . .	During the Track Record Period and as of the Latest Practicable Date, Zhejiang Provincial Pharmaceutical Industry was a wholly-owned subsidiary of Hisun Pharmaceutical and a connected person to us. According to an announcement made by Hisun Pharmaceutical <sup>1</sup> , Zhejiang Provincial Pharmaceutical Industry is currently undergoing a change of ownership. Upon completion of such transaction, it will cease to be a connected person to us.

## ONE-OFF CONNECTED TRANSACTIONS

### Property and Equipment Lease Agreements

Hangzhou Bozhirui and Hisun Hangzhou entered into a property lease agreement on January 4, 2022 (the “**Zone A Property Lease Agreement**”), pursuant to which Hangzhou Bozhirui agreed to lease properties from Hisun Hangzhou with a total gross area of approximately 2,024 sq.m. located at No. 8, Haizheng Road, Xukou Town, Fuyang District, Hangzhou, Zhejiang Province, the PRC at an annual rental of RMB814,000 (tax exclusive), for a fixed period from January 1, 2022 to December 31, 2026. The leased properties under the Zone A Property Lease Agreement are used by our Group for production.

Hangzhou Bozhirui and Hisun Hangzhou entered into a property and equipment lease agreement on January 4, 2022 (the “**Zone B Property and Equipment Lease Agreement**”), pursuant to which Hangzhou Bozhirui agreed to lease properties from Hisun Hangzhou with a total gross area of approximately 5,388 sq.m. located at No. 8, Haizheng Road, Xukou Town, Fuyang District, Hangzhou, Zhejiang Province, the PRC together with the facilities and equipment thereat, at an annual rental of RMB3,571,000 (tax exclusive), for a

---

<sup>1</sup> According to an A-share announcement published by Hisun Pharmaceutical on December 18, 2025, Hisun Pharmaceutical will divest its 100% equity interest in its wholly-owned subsidiary, Zhejiang Provincial Pharmaceutical Industry. The equity transfer will be conducted through a public listing on a property rights exchange. Following a review by Taizhou Property Rights Exchange and confirmation by Hisun Pharmaceutical, Guangzhou Pharmaceuticals Co., Ltd. (廣州醫藥股份有限公司) (“**Guangzhou Pharmaceutical Corporation**”), a company whose shares are listed on the National Equities Exchange and Quotations (Stock code: 874839), has been identified as a qualified transferee. Hisun Pharmaceutical has entered into an equity transfer agreement and a supplemental agreement with Guangzhou Pharmaceutical Corporation. As of the date of this document and to the best knowledge of the Company, the aforementioned equity transfer has not yet been completed. Given Guangzhou Pharmaceutical Corporation is an Independent Third Party, upon completion of such equity transfer, Zhejiang Provincial Pharmaceutical Industry will cease to be a connected person of our Group. Consequently, transactions between our Group and Zhejiang Provincial Pharmaceutical Industry will no longer constitute connected transactions under the Listing Rules.

---

## CONNECTED TRANSACTIONS

---

fixed period from January 1, 2022 to December 31, 2026. The leased properties, facilities and equipment under the Zone B Property and Equipment Lease Agreement are used by our Group for production.

Hangzhou Bozhirui and Hisun Hangzhou entered into a property lease agreement on December 31, 2024 (the “**Zone C Property Lease Agreement**”, together with the Zone A Property Lease Agreement and the Zone B Property and Equipment Lease Agreement, the “**Hisun Property and Equipment Lease Agreements**”), pursuant to which Hangzhou Bozhirui agreed to lease properties from Hisun Hangzhou with a total gross area of approximately 2,052 sq.m. located at No. 1, Haizheng Road, Xukou Town, Fuyang District, Hangzhou, Zhejiang Province, the PRC at an annual rental of RMB1,102,000 (tax inclusive), for a fixed period from January 1, 2025 to December 31, 2029. The leased properties under the Zone C Property Lease Agreement are used by our Group for daily operations and business, such as R&D activities.

The Hisun Property and Equipment Lease Agreements were 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 and property management fee being determined with reference to, among others, the prevailing market rates for comparable properties in the same area and the size of the leased premises.

The net book value of the leased properties and equipment, being the present value of the lease payments recognized by our Group in relation to the Hisun Property and Equipment Lease Agreements according to IFRS 16 as of September 30, 2025 amounted to RMB15.4 million. As of December 31, 2023, and 2024 and September 30, 2025, net book value of right-of-use assets we recognized on our consolidated statements of financial position arising from the Hisun Property and Equipment Lease Agreements was RMB17.9 million, RMB14.0 million and RMB15.4 million, respectively.

### *Reasons and Benefits of the Transaction*

It is a common practice in the pharmaceutical industry that a company like us operates by leasing properties, facilities and equipment to allocate a substantial part of its cash flow into R&D or other activities, according to Frost & Sullivan.

We have been leasing the relevant properties, facilities and equipment from Hisun Hangzhou during the Track Record Period. The continuous leasing of the relevant properties, facilities and equipment from Hisun Hangzhou can reduce our costs associated with looking for new premises and involving in prolonged negotiations of lease agreements with third party property’s owners. Additionally, given that any relocation of facility or change of the current arrangements under the currently effective Hisun Property and Equipment Lease Agreements may cause certain disruption to our business operation and incur additional relocation costs. We believe it is cost efficient and beneficial to our operations to continue leasing from Hisun Hangzhou. In light of the foregoing, our Directors are of the view that such arrangement is fair and reasonable and in the best interest of our Group and our Shareholders as a whole.

---

## CONNECTED TRANSACTIONS

---

Notwithstanding the above, such arrangement under the Hisun Property and Equipment Lease Agreements do not affect our operational independence. For further details, see “Relationship with Our Controlling Shareholders — Independence from Controlling Shareholders — Operational Independence — Leasing properties and equipment from Hisun Pharmaceutical”.

### *Listing Rules Implications*

IFRS 16 (Leases) (which became effective from January 1, 2019) requires a lessee to recognize assets and liabilities for lease with a term of more than 12 months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in future. In accordance with IFRS 16, our Group recognized a right-of-use asset in the statement of financial position in connection with the Hisun Property and Equipment Lease Agreements. Therefore, the leases under the Hisun Property and Equipment Lease Agreements are regarded as an acquisition of a capital asset of our Group and a one-off connected transaction entered into by our Group prior to the [REDACTED], rather than a continuing connected transaction, for the purposes of the Listing Rules. Accordingly, the reporting, announcement, annual review, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules will not be applicable.

## CONTINUING CONNECTED TRANSACTIONS

The following table sets forth a summary of our continuing connected transactions upon [REDACTED]:

<u>Transaction</u>	<u>Applicable Listing Rules</u>	<u>Waivers sought</u>
<b>Fully-exempt continuing connected transactions</b>		
Shared Administrative Services Agreements . . . . .	14A.98	N/A
Energy Cost Sharing Agreement . . . . .	14A.76(1)(c)	N/A
Manufacturing Service Agreement . . . . .	14A.52, 14A.76(1)(c)	N/A
Procurement of Consumables . . . . .	14A.52, 14A.76(1)(c)	N/A
Property Rental Agreement . . . . .	14A.76(1)(c)	N/A
<b>Non-exempt continuing connected transactions</b>		
Pharmaceutical Products . . . . .	14A.34 to 14A.36, 14A.49,	Waiver from announcement, circular and independent shareholders’ approval requirements
Distribution Agreements . . . . .	14A.51 to 14A.59, 14A.71	

## FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions for our Group, which will be exempted from the reporting, annual review, announcement, circular and independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

---

## CONNECTED TRANSACTIONS

---

### Shared Administrative Services Agreements

Hangzhou Bozhirui and Hisun Hangzhou (a subsidiary of Hisun Pharmaceutical) entered into a set of shared administrative services agreements on January 1, 2026 (the “**Shared Administrative Services Agreements with Hisun Hangzhou**”) for a term of one year, pursuant to which, Hangzhou Bozhirui shared with Hisun Hangzhou certain administrative services such as catering, utilities (such as water, electricity or gas), shuttle bus operation, office park greening, and staff dormitory services (the “**Shared Administrative Services**”) in its ordinary and usual course of business and shall pay to Hisun Hangzhou on a cost basis monthly (including necessary expenses) and that the relevant costs must be identifiable and allocated to Hangzhou Bozhirui based on actual expenses incurred by Hisun Hangzhou and attributable to Hangzhou Bozhirui. We intend to continue such arrangements with the Hisun Hangzhou after the [REDACTED].

The historical transaction amounts of the shared administrative costs with Hisun Hangzhou for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 were RMB41,507,000, RMB51,426,000 and RMB39,329,000, respectively.

Our Company and Hisun Pharmaceutical entered into a shared administrative services agreement in 2019 (the “**Shared Administrative Services Agreement with Hisun Pharmaceutical**”, together with the Shared Administrative Services Agreements with Hisun Hangzhou, the “**Shared Administrative Services Agreements**”) effective until December 31, 2026, pursuant to which, our Company shared with Hisun Pharmaceutical the Shared Administrative Services in our ordinary and usual course of business and shall pay to Hisun Pharmaceutical on a cost basis (including necessary expenses) monthly and that the relevant costs must be identifiable and allocated to our Company based on actual expenses incurred by Hisun Pharmaceutical and attributable to us. We intend to continue such arrangements with the Hisun Pharmaceutical after the [REDACTED].

The historical transaction amounts of the shared administrative costs with Hisun Pharmaceutical for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 were RMB6,512,000, RMB6,743,000 and RMB4,865,000, respectively.

Under the Shared Administrative Services Agreements, the Shared Administrative Services will be charged to us on a cost basis, and the relevant costs (i) are made reference to the prevailing prices for similar services readily on the market; and (ii) are identifiable and allocated to us based on the actual expenses attributable to us.

Our Directors consider that the sharing of administrative services under the Shared Administrative Service Agreements is a commercially sensible and cost-efficient arrangement that offers (i) *economies of scale*: by pooling demand with Hisun Hangzhou and Hisun Pharmaceutical, our Group is able to benefit from bulk procurement and centralized service provision, thereby lowering the average cost of each service; (ii) *operational flexibility*: shared services reduce the need for duplicative infrastructure and staffing, allowing us to focus our internal resources on core business areas; and (iii) *cost optimization*: the arrangement allows for a more efficient cost structure, as administrative overheads are spread across multiple entities, helping to reduce per-unit administrative

---

## CONNECTED TRANSACTIONS

---

costs. In addition, our Directors are of the view that the Company may review whether to renew these Shared Administrative Service Agreements upon its expiry based on service arrangements, cost allocation methodologies, operational requirements, and market condition on an annual basis, while ensuring continuity of day-to-day operations.

As the Shared Administrative Services Agreements will be shared between Hisun Pharmaceutical or its subsidiary Hisun Hangzhou and our Group on a cost basis (including necessary expenses) where the costs (being costs paid by Hangzhou Hisun and Hisun Pharmaceutical to their suppliers and/or their labor costs based on relevant work hours) will be identifiable and allocated to the parties on a fair and equitable basis, pursuant to Rule 14A.98 of the Listing Rules, the Shared Administrative Services Agreements will be exempted from the announcement, circular, independent Shareholders’ approval, reporting and annual review requirements under Chapter 14A of the Listing Rules.

### **Energy Cost Sharing Agreement**

Hangzhou Bozhirui and Hanhui Pharmaceutical entered into an energy cost sharing agreement on January 1, 2024 (the “**Energy Cost Sharing Agreement**”), for an initial term of one year and is automatically renewable on an annual basis unless terminated, pursuant to which Hangzhou Bozhirui shared operation costs for production with Hanhui Pharmaceutical, such as certain operational costs arising from the provision and use of energy transmission and intermediate processing services through their respective facilities for the purpose of production in the ordinary course of business. We intend to continue such arrangement with Hanhui Pharmaceutical after the [REDACTED] in order to enhance resource utilization and operational efficiency and to reduce operational risks associated with duplicated energy infrastructure. The Energy Cost Sharing Agreement was entered into on normal commercial terms after the arm’s length negotiations.

The services provided under the Energy Cost Sharing Agreement do not constitute the procurement and provision of administrative services, nor do they involve the purchase or sale of utilities (such as water, electricity or gas). Instead, the services relate to energy storage, pressurization, heating and transmission through shared facilities, which are operational in nature and ancillary to the parties’ respective production activities. Our Directors consider that the one-year initial term with an automatic renewal mechanism provides flexibility for periodic review of the energy related service arrangements and cost allocation based on actual usage and operational needs, while ensuring continuity of energy supply for daily production activities.

The historical transaction amounts of the shared energy operation costs received from Hanhui Pharmaceutical for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 is RMB1,435,000, RMB377,000 and RMB146,000, respectively.

The historical transaction amounts under the Energy Cost Sharing Agreement payable by Hangzhou Bozhirui to Hanhui Pharmaceutical for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 is RMB107,000, RMB203,000 and RMB49,000, respectively.

---

## CONNECTED TRANSACTIONS

---

As the transaction under the Energy Cost Sharing Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio under the Energy Cost Sharing Agreement is expected to be less than 5% on an annual basis and less than HK\$3,000,000 on an annual basis, such transaction will be fully exempted from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c).

### **Manufacturing Service Agreement**

As the Marketing Authorization Holder (MAH) of the pharmaceutical products marketed under the brand Anshuzheng 安舒正<sup>®</sup>, Hangzhou Bozhirui is the lawful holder of the relevant drug approvals. Historically, through Hangzhou Bozhirui, we engaged Hisun Pharmaceutical to provide contract manufacturing services in compliance with the applicable laws and regulations promulgated by the NMPA. Hangzhou Bozhirui entered into a manufacturing service agreement with Hisun Pharmaceutical on June 29, 2021 for a fixed period from June 29, 2021 to June 28, 2026 (the “**Manufacturing Service Agreement**”).

The engagement of Hisun Pharmaceutical was primarily driven by its established GMP-certified manufacturing facilities, industry expertise, and proven compliance track record. Given the time and significant capital investment required for our Group to establish a full-process production line and achieve the desired production capacity, we intend to continue the manufacturing arrangement with Hisun Pharmaceutical following the [REDACTED].

The service fees charged by Hisun Pharmaceutical to Hangzhou Bozhirui have been and will be determined on normal commercial terms and through arm’s length negotiations. Under the Manufacturing Service Agreement, the service fees are primarily determined with reference to agreed unit prices for the relevant pharmaceutical products, which take into account the scope of manufacturing services provided (including the supply of raw materials), the agreed production volume and the relevant cost structure. The unit prices are subject to volume-based pricing adjustments, with a lower unit price applicable upon the achievement of specified annual procurement volumes, and are fixed for a specified period in accordance with the Manufacturing Service Agreement. Any adjustment to pricing arising from changes in packaging form or specifications is subject to further agreement between the parties.

The historical transaction amounts of the manufacturing service paid by Hangzhou Bozhirui to Hisun Pharmaceutical for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 is RMB13,000, RMB1,935,000 and RMB1,184,000, respectively.

Rule 14A.52 of the Listing Rules provides that the period for the agreement of a continuing connected transaction must not exceed three years except in special circumstance where the nature of the transaction requires a longer period. The current Manufacturing Service Agreement will expire by June 28, 2026. In compliance with Rule 14A.52, we intend to renew the agreement with Hisun Pharmaceutical prior to its expiry, with a term not exceeding three years.

---

## CONNECTED TRANSACTIONS

---

As the transaction under the Manufacturing Service Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio for the fees payable by our Group is expected to be less than 5% on an annual basis and the fees payable by our Group under the Manufacturing Service Agreement on an annual basis is expected to be less than HK\$3,000,000, such transaction will be fully exempted from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c).

### **Procurement of Consumables**

Hangzhou Bozhirui has historically procured certain production consumables from time to time in the ordinary course of business through individual purchase orders for use in the manufacturing of pharmaceutical products marketed under the brand Anbaite 安佰特®. We have chosen to procure these consumables from Hisun Pharmaceutical primarily because Hisun Pharmaceutical has been able to provide consumables with stable and reliable quality, timely delivery and reasonable pricing, and thus facilitating our cost optimization and control. In view of the above advantages, we intend to continue such procurement arrangement with Hisun Pharmaceutical following the [REDACTED].

The historical transaction amounts in relation to the procurement of consumables from Hisun Pharmaceutical for the years ended December 2023, 2024, and the nine months ended September 30, 2025 is RMB212,000, RMB150,000 and RMB106,000, respectively.

The prices payable by us for procuring the production consumables from Hisun Pharmaceutical have been and will be determined through arm’s length negotiations primarily based on the production cost of the production consumables, the sales price to external third parties and our procurement volume, with reference to a number of factors applicable to all suppliers, including but not limited to the prevailing market price of the relevant consumables of same quality, specifications of the products, delivery capability, response time and the fees charged for historical transactions of similar nature.

As the procurement of consumables from Hisun Pharmaceutical will be conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio for the transaction amount payable by our Group is expected to be less than 5% on an annual basis and the transaction amount payable by our Group for the procurement of consumables from Hisun Pharmaceutical on an annual basis is expected to be less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c).

### **Property Rental Agreement**

Our Company, Hisun Pharmaceutical and Zhejiang Yunsheng entered into a property rental agreement on January 1, 2025 (the “**Property Rental Agreement**”), pursuant to which our Company leased properties with a total gross area of approximately 1,236 sq.m. located at No. 1 Shugang Avenue, Jiaojiang District, Taizhou, Zhejiang Province, the PRC (the

---

## CONNECTED TRANSACTIONS

---

“Leased Properties”) at an annual rental of RMB217,175 (tax inclusive) for daily operation of Hisun Pharmaceutical and Zhejiang Yunsheng with a term of two years commencing on January 1, 2025. According to the Property Rental Agreement, Hisun Pharmaceutical leased and paid rent for the Leased Properties for the period from January 1, 2025 to August 15, 2025, and Zhejiang Yunsheng leased and shall pay rent for the Leased Properties from August 16, 2025 onwards. It is expected that Zhejiang Yunsheng will continue to rent the Leased Property from our Company after the [REDACTED], which will constitute continuing connected transaction under Chapter 14A of the Listing Rules.

The historical transaction amounts of the property rental to Hisun Pharmaceutical for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 is nil, nil and RMB124,000, respectively.

The historical transaction amounts under the Property Rental Agreement (including relative utility fees) to Zhejiang Yunsheng for the years ended December 2023 and 2024, and the nine months ended September 30, 2025 is nil, nil and RMB187,000, respectively.

The Property Rental Agreement was entered into on arm’s length basis, and on normal commercial terms with the rent and property management fee being determined with reference to, among others, the prevailing market rates for similar properties in the same area, the square meters rented.

As the transaction under the Property Rental Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the transactions thereunder is expected to be less than 5% on an annual basis and the annual rental payable is less than HK\$3,000,000, such transaction will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(c).

## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### Pharmaceutical Products Distribution Agreements

Each of our Company and Hangzhou Bozhirui has historically sold pharmaceutical products to Zhejiang Provincial Pharmaceutical Industry, who then distributed our products in Zhejiang Province. We intend to continue such distribution arrangement with Zhejiang Provincial Pharmaceutical Industry after the [REDACTED].

#### *Principal Terms*

On February 1, 2025, our Company entered into an annual pharmaceutical products distribution agreement with Zhejiang Provincial Pharmaceutical Industry (the “**Pharmaceutical Products Distribution Agreement I**”), pursuant to which Zhejiang Provincial Pharmaceutical Industry will purchase pharmaceutical products marketed under the brand Anruixi 安瑞昔® from our Company and distribute these products within Zhejiang Province. The term of the Pharmaceutical Products Distribution

---

## CONNECTED TRANSACTIONS

---

Agreement I commences from February 1, 2025 to January 31, 2026. We intend to renew the agreement with Zhejiang Provincial Pharmaceutical Industry prior to its expiry, with a term not exceeding three years.

On February 1, 2025, Hangzhou Bozhirui entered into an annual pharmaceutical products distribution framework agreement with Zhejiang Provincial Pharmaceutical Industry (the “**Pharmaceutical Products Distribution Agreement II**”, together with Pharmaceutical Products Distribution Agreement I, collectively “**Pharmaceutical Products Distribution Agreements**”), pursuant to which Zhejiang Provincial Pharmaceutical Industry will purchase pharmaceutical products marketed under the brands Anjianning 安健寧<sup>®</sup>, Anbainuo 安佰諾<sup>®</sup>, Anbaite 安佰特<sup>®</sup>, Anshuzheng 安舒正<sup>®</sup>, Anruize 安瑞澤<sup>®</sup> and Anbaixin 安佰欣<sup>®</sup> from Hangzhou Bozhirui and distribute these products within Zhejiang Province. The term of the Pharmaceutical Products Distribution Agreement II commences from February 1, 2025 to January 31, 2026. Hangzhou Bozhirui intends to renew the agreement with Zhejiang Provincial Pharmaceutical Industry prior to its expiry, with a term not exceeding three years.

### *Reasons for the Transaction*

Under the distribution arrangement with Zhejiang Provincial Pharmaceutical Industry, we don’t retain any ownership interest in the pharmaceutical products once they are sold. Upon delivery and acceptance by Zhejiang Provincial Pharmaceutical Industry, all significant risks and rewards associated with the ownership of the products are fully transferred to Zhejiang Provincial Pharmaceutical Industry.

We consider this distribution arrangement to be both cost-effective and scalable. It enables us to extend our market reach without the need to establish and maintain a large in-house distribution infrastructure in Zhejiang Province. At the same time, it allows us to retain strategic oversight over key aspects of our commercial operations, including distributor management, marketing initiatives, and promotional activities. For further information about our overall distribution strategy, please refer to the section titled “Business — Sales, Marketing and Distribution” in this document.

Throughout the Track Record Period, Zhejiang Provincial Pharmaceutical Industry has served as a key distribution partner for our pharmaceutical products in Zhejiang Province. The selection of this distributor has been made in accordance with our internal distributor management policies, which consider factors such as distribution capability, compliance track record, and commercial performance. Zhejiang Provincial Pharmaceutical Industry was chosen due to its well-established and extensive distribution network in Zhejiang Province, its solid industry reputation, and its demonstrated competence in handling pharmaceutical products.

Moreover, our long-standing business relationship with Zhejiang Provincial Pharmaceutical Industry has fostered mutual trust and operational efficiency. Given their proven reliability and familiarity with our products and operational requirements, we believe that continuing this partnership under comparable commercial terms is in the best interests of our Group and supports the sustainable growth of our distribution business in the region.

---

## CONNECTED TRANSACTIONS

---

### *Pricing Policy*

The pricing of pharmaceutical products supplied by our Group to Zhejiang Provincial Pharmaceutical Industry shall be determined on normal commercial terms. In particular, the prices offered to Zhejiang Provincial Pharmaceutical Industry shall be no more favorable than those offered by our Group to independent third-party distributors for comparable transactions involving similar pharmaceutical products under similar conditions. The final transaction prices will be determined through arm’s length negotiations between our Group and Zhejiang Provincial Pharmaceutical Industry, taking into account a variety of objective pricing benchmarks and commercial considerations. These benchmarks include: (i) government-mandated procurement prices, such as the prices published or announced by the competent authorities; (ii) prevailing market prices, including the prices at which our Group sells similar pharmaceutical products to independent third-party distributors in the same or comparable geographic markets; (iii) cost structures and margins, including production costs, distribution costs, and expected profit margins based on historical performance and commercial viability; and (iv) order volume and payment terms, where larger purchase volumes or more favorable payment terms may influence pricing, in line with standard industry practices.

### *Historical Amounts*

The following table set forth the historical amounts of our sales of pharmaceutical products to Zhejiang Provincial Pharmaceutical Industry for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025:

	<b>For the year ended December 31</b>		<b>For the nine months ended September 30</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>(RMB in thousands) (tax exclusive)</i>		
Pharmaceutical Products			
Distribution Agreement I . . . . .	410	6,076	14,609
Pharmaceutical Products			
Distribution Agreement II . . . . .	45,688	44,816	48,573
<b>In total . . . . .</b>	<b>46,098</b>	<b>50,892</b>	<b>63,182</b>

The increase in historical transaction amount under the Pharmaceutical Products Distribution Agreements during the Track Record Period was primarily due to the launch of new products and the continuous year-on-year growth in overall sales volume.

**CONNECTED TRANSACTIONS**

*Annual Caps and Basis of Annual Caps*

The following table sets forth the proposed annual caps for the transactions under the Pharmaceutical Products Distribution Agreements for the year ending December 31, 2026:

	<b>Proposed annual cap for the year ending December 31, 2026</b>
	<i>(RMB in thousands)</i>
Pharmaceutical Products Distribution Agreement I . . . . .	45,000
Pharmaceutical Products Distribution Agreement II . . . . .	85,000
<b>In total</b> . . . . .	<b>130,000</b>

The proposed annual caps are determined based on the following factors:

(i) *Historical transaction amounts and growth trends:*

The historical sales amounts from 2023 to the nine months ended September 30, 2025, demonstrate a clear upward trend in transaction volume with Zhejiang Provincial Pharmaceutical Industry. The compound annual growth rate (CAGR) in transaction amounts reflects increasing market demand, successful product acceptance, and the effectiveness of our distribution strategy. The actual transaction amount for the nine months ended September 30, 2025 (RMB63.2 million), already exceeds the full-year amount in 2024 (RMB50.9 million), indicating a strong growth trajectory that forms the foundation for future projections.

(ii) *Projected sales volume growth:*

The annual caps factor in our internal sales forecasts, which anticipate sustained growth in product demand over the next year. This growth is expected to be driven by (i) the ongoing expansion of our pharmaceutical product portfolio; (ii) increasing penetration into public and private medical institutions in Zhejiang Province; and (iii) expansion of healthcare coverage and rising demand for quality medicines under national and provincial healthcare policies.

(iii) *Geographic and channel expansion:*

Zhejiang Provincial Pharmaceutical Industry has a well-established and continually expanding distribution network. As it deepens its coverage within Zhejiang Province and reaches new customer segments, its order volumes are expected to increase in tandem with the demand generated by our sales efforts.

---

## CONNECTED TRANSACTIONS

---

(iv) *Expected price adjustments and product mix optimization:*

The estimated annual caps also incorporate potential price fluctuations due to potential changes in procurement prices issued by provincial or national tendering authorities and adjustments in pricing strategies based on market competition. Inflationary pressures and rising costs of productions, logistics and raw materials are also taken into account.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios in respect of the transaction under the Pharmaceutical Products Distribution Agreements are expected to be more than 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

By virtue of Rule 14A.76(2) of the Listing Rules, each of the transactions under the sub-section “— Continuing Connected Transactions — Non-Exempt Continuing Connected Transactions” will constitute connected transactions which are subject to reporting, annual review and announcement 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 strict compliance with the announcement, circular and independent Shareholders’ approval requirements in respect of the above non-exempt continuing connected transactions. In addition, we confirm that our Group will comply at all times with the other applicable provisions under the Listing Rules in respect of the discloseable and 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 Group will take immediate steps to ensure compliance with such new requirements within a reasonable time.

---

## CONNECTED TRANSACTIONS

---

### CONFIRMATION FROM OUR DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that (i) the non-exempt continuing connected transactions set out above have been and will be entered into in the ordinary and usual course of our business on normal commercial terms or better which are fair and reasonable and in the interests of our Group and our Shareholders as a whole; (ii) the proposed monetary annual caps in respect of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

### CONFIRMATION FROM THE JOINT SPONSORS

Based on (i) the relevant documents and information provided by our Company in relation to the non-exempt continuing connected transactions; (ii) their participation in due diligence and discussions with our Company; and (iii) the confirmation from our Directors disclosed above, the Joint Sponsors are of the view that the non-exempt continuing connected transactions described above have been and will continue to be carried out in the ordinary and usual course of business of our Group, on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual cap for these transactions referred to in “— Continuing Connected Transactions — Non-Exempt Continuing Connected Transactions” in this section are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

### INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS’ INTERESTS

To ensure that our continuing connected transactions are conducted in compliance with applicable rules, regulations and on normal commercial terms, and to safeguard the interests of all our Shareholders, including minority Shareholders, our Group has adopted a comprehensive framework of internal control policies and procedures. These measures are designed to ensure that such transactions are fair, reasonable, and in the ordinary and usual course of business of the Group. Key internal control measures include the following:

- (i) our Group has formulated internal guideline for connected transactions based on the applicable requirements under the Listing Rules, which (a) clearly defines what constitutes a connected transaction and the applicable thresholds for reporting, announcement, and independent Shareholders’ approval; (b) clarifies the roles and responsibilities of each functional department in identifying, reviewing, and approving connected transactions; and (c) requires ongoing monitoring and documentation of continuing connected transactions to ensure they remain within approved annual caps;
- (ii) to ensure that the pricing and terms offered by/to our connected persons are fair, reasonable and comparable with those offered to/by Independent Third Parties, our Group will implement the following measures: (a) before engaging in any connected transactions, the relevant business units will conduct regular benchmarking exercises against prevailing market prices and commercial terms;

---

## CONNECTED TRANSACTIONS

---

and (b) the terms offered to/by our connected persons will be reviewed in comparison with those quotations offered to/by Independent Third Parties to ensure that such terms are comparable and consistent with normal commercial terms;

- (iii) the Audit Committee is expected to play a vital role in overseeing the connected transactions. For example, it will conduct periodic review of the connected transactions, including the actual transaction amounts, terms, and compliance with the estimated annual caps that have been previously disclosed;
- (iv) in accordance with the Listing Rules, our external auditors will conduct an annual report on of the continuing connected transactions, in particular, including the actual transaction amounts fall within the estimated annual caps that have been previously disclosed; and
- (v) we will regularly organize training sessions for relevant personnel to enhance their awareness and understanding of the rules and internal policies governing connected transactions and internal control procedures. This will ensure that decision-makers remain vigilant and fully informed of their compliance responsibilities.