CONNECTED TRANSACTIONS

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

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which will constitute connected transactions upon the [**REDACTED**]:

Name	Connected Relationship
Tencent	Connected person at the issuer level (as defined in Rule 14A.07(1) of the Listing Rules)
Yuanxin Huibao Group	Connected subsidiary (as defined in Rule 14A.16 of the Listing Rules)

As of the Latest Practicable Date, Yuanxin Huibao was directly owned as to 51.03% and 15.95% by our Company and Tianjin Chenghong Enterprise Management LP (天津成弘企業管理合夥企業(有限合夥)) ("**Tianjin Chenghong**"), respectively. Tianjin Chenghong was owned as to 99% and 1% by Mr. He Tao, our controlling shareholder, and our Company, respectively. Therefore, Yuanxin Huibao Group was a connected subsidiary of our Company pursuant to Rule 14A.16 of the Listing Rules. For further details of the shareholding of Tianjin Chenghong, please refer to "History and Corporate Structure – Our Structure Immediately Prior to the [**REDACTED**]" in this document.

Yuanxin Huibao Group operates an insurance technology platform which focuses on four types of insurance products, namely, insurance products designed for innovative drugs, inclusive commercial health insurance, health insurance with pre-existing conditions and pharmacy benefit insurance. For more details, please refer to "Business – Commercialization Acceleration Services – Insurance Services" in this document.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

	Transaction	Category of continuing connected transaction	Applicable Listing Rule	Waiver	Proposed annual cap for the year ending December 31, 2026	2027	2028
					(in thousands of RMB)		
1.	Provision of cloud services by Tencent to our Group	Partially-exempt	Rule 14A.35 Rule 14A.76(2) Rule 14A.105	Announcement requirement	10,000	14,000	20,000
2.	Provision of shared IT services by YX Group to Yuanxin huibao Group	Partially-exempt	Rule 14A.35 Rule 14A.76(2) Rule 14A.105	Announcement requirement	7,000	8,000	9,000
3.	Provision of drug products by YX Pharmacies to patients referred by Yuanxin Huibao Group	Non-exempt	Rule 14A.35 Rule 14A.36 Rule 14A.53 Rule 14A.105	Announcement requirement and independent shareholders' approval	133,000	186,000	260,000

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Cloud Services Framework Agreement

On [●], 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Cloud Services Framework Agreement**") for the provision of cloud services with Tencent Computer, for itself and on behalf of other members of Tencent. Pursuant to this agreement, Tencent will, with effect from the [**REDACTED**], provide our Group with an array of services, including services relating to computing, digital networks, cloud servers, cloud database, cloud security, monitoring and management tools, domain name resolution, video, big data and artificial intelligence, from which our Group may select one or more services as needed. Our Group will in return pay subscription fees to Tencent. The subscription fees will be determined after arm's length negotiations between the parties with reference to the market rates. The Group will enter into specific agreements with Tencent to set out the specific terms and conditions and other details in respect of the provision of each type of cloud service selected by the Group in the manner provided in the Cloud Services Framework Agreement.

The initial term of the Cloud Services Framework Agreement will commence on the [**REDACTED**] and expire on December 31, 2028.

Reasons for the transaction

Tencent is one of the leading market players which provides integrated cloud-based services for a wide range of technical support and related services, and is able to provide reliable and cost-efficient services in the PRC. Tencent is able to provide reliable and cost-efficient services to our Group. Given that our business has undergone and is expected to undergo rapid growth, we believe that obtaining such outsourced services from an integrated service provider is a cost-effective alternative to build all supporting technology infrastructure internally. We therefore entered into the Cloud Services Framework Agreement to govern any cloud services to be provided by Tencent to us.

Pricing policies

Before entering into any service agreements pursuant to the Cloud Services Framework Agreement, we will assess our business needs, evaluate the quality of the cloud services offered by different service providers and compare the rates of the services fees proposed by Tencent with the rates offered by other comparable independent third party service providers. We will only enter into a service agreement with Tencent when (i) the rates of the service fees proposed by Tencent are fair and reasonable and base in normal or no less favourable commercial terms than those offered by independent third party service providers who can provide comparable services; and (ii) when the agreement is in the best interests of our Company and our Shareholders as a whole.

Historical amounts

The historical transaction amounts for the Track Record Period are set out below:

Transaction amount over the Track Record Period (in RMB)		
FY2023	**FY2024**	**FY2025**
8,238,781	8,404,763	7,264,004

Annual caps

In respect of the Cloud Services Framework Agreement, the transaction amounts to be paid by our Group to Tencent for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

Expected maximum transaction amount for the three years ending December 31, 2028 (in RMB)		
FY2026	**FY2027**	**FY2028**
10,000,000	14,000,000	20,000,000

Basis of caps

The above proposed annual caps have been determined primarily based on (i) the historical transaction amounts during the Track Record Period, (ii) the forecasted increase in the Group's need for cloud services, (iii) the estimated growth of the Group's businesses and the number of users on the Group's online accounts and (iv) the continual development of our products and services and the corresponding demand for cloud services.

Listing Rules implications

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Cloud Services Framework Agreement will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules. We have applied for[, and the Stock Exchange has granted,] waivers from these requirements as described below.

2. Shared IT Services Framework Agreement

Principal terms

On [●], 2026, our Company, for itself and on behalf of YX Group, entered into a framework agreement ("**Shared IT Services Framework Agreement**") with Yuanxin Huibao, for itself and on behalf of Yuanxin Huibao Group, pursuant to which YX Group will provide certain technological support services, including but not limited to the system development, upgrading, customization, maintenance and other technological support for IT systems to Yuanxin Huibao Group.

Reasons for the transaction

The shared IT services under the Shared IT Services Framework Agreement can help enhance utilization and economies of scale of YX Group's operational resources and, on the other hand, reduce the operational costs of Yuanxin Huibao Group in procuring similar technological support services from the relevant suppliers. The Shared IT Services Framework Agreement will allow Yuanxin Huibao Group to better leverage the experienced developers and system engineers who contributed to the development of the mature technological infrastructure and coverage of YX Group and promote better cooperation between YX Group and Yuanxin Huibao Group in meeting their respective operational needs.

Pricing policies

The relevant technological support services are charged on a fixed price per person per day basis for the developers and system engineers involved as determined by their respective roles and seniority. The price charged by YX Group shall be determined based on fair market rate or better with reference to the price quotations that can be obtained from independent third party service providers for comparable developers and system engineers. YX Group will annually review the fees charged for these personnel providing the technological services by comparing them against market prices chargeable by independent third party service providers for services of similar nature provided by the relevant technological support personnel to ensure that the terms YX Group provided to Yuanxin Huibao Group shall be on normal commercial terms or better to the Group as compared to those provided by independent third party providers.

Historical amounts

The historical transaction amounts for the Track Record Period are set out below:

Transaction amount over the Track Record Period (in RMB)		
FY2023	**FY2024**	**FY2025**
N/A	N/A	4,180,000

Annual caps

In respect of the Shared IT Services Framework Agreement, the transaction amounts to be paid by YX Group to Yuanxin Huibao Group for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

Expected maximum transaction amount for the three years ending December 31, 2028 (in RMB)		
FY2026	**FY2027**	**FY2028**
7,000,000	8,000,000	9,000,000

Basis for caps

The above proposed annual caps have been determined primarily based on (i) the historical transaction amounts during the Track Record Period as utilized by Yuanxin Huibao Group, (ii) the estimated growth rates of Yuanxin Huibao Group's businesses and the corresponding increase in demand for technological support from the businesses of Yuanxin Huibao Group; and (iii) the capacity of YX Group in terms of the team size of developers and system engineers in providing such shared IT support services to Yuanxin Huibao Group.

Listing Rules implications

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Shared IT Services Framework Agreement will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules. We have applied for[, and the Stock Exchange has granted,] waivers from these requirements as described below.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

3. Insurance Drug Procurement Framework Agreement

On [●], 2026, our Company, for itself and on behalf of YX Group, entered into a framework agreement ("**Insurance Drug Procurement Framework Agreement**") with Yuanxin Huibao, for itself and on behalf of Yuanxin Huibao Group. Pursuant to the Insurance Drug Procurement Framework Agreement, the users of the integrated platform operated by Yuanxin Huibao Group who have joined the insurance programmes introduced by Yuanxin Huibao Group, which include, amongst others, Huimin Bao (惠民保) ("**Huimin Bao**") which is backed by local governments, commercial insurance programmes, insurance plans covering certain specialty drugs and other insurance programmes designated for state-owned enterprises, will purchase certain drugs at the designated YX Pharmacies of YX Group at a specified rate that is calculated based on (i) the type of health insurance plans that the users are eligible for and/or (ii) the quantity of drugs purchased. Upon presentation of the prescriptions and identification documents provided by the users, the YX Pharmacies will verify the information through the integrated platform operated by the Yuanxin Huibao Group. YX Pharmacies will then supply the prescribed drugs to the users with payments to be settled by Yuanxin Huibao Group which will then in turn be reimbursed by the insurance companies in cooperation with Yuanxin Huibao Group.

The initial term of the Insurance Drug Procurement Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon the mutual consent of both parties.

Reasons for the transaction

Our Directors consider that the provision of drugs by YX Pharmacies to users of the Yuanxin Huibao Group would benefit the Group. YX Pharmacies will be able to ensure a steady supply of drugs to meet the needs of the patients who have subscribed for the insurance plans introduced by Yuanxin Huibao Group. The payment of the drugs by Yuanxin Huibao Group to YX Pharmacies will be reimbursed by the insurance companies operating in cooperation with Yuanxin Huibao Group, and as a result, Yuanxin Huibao Group serves as an intermediary in the relevant transactions. The patients who have subscribed for certain designated insurance plans may be able to obtain the relevant drugs at a discount through the subscription of the plans.

Pursuant to the Insurance Drug Procurement Framework Agreement, Yuanxin Huibao Group will have direct access to the YX Pharmacies for the provision of drugs that are demanded by their users, whereas the YX Pharmacies can benefit from a broadened customer base by leveraging on Yuanxin Huibao Group. While Yuanxin Huibao Group provides an insurance technology platform that facilitates claim processing, benefits management and marketing of insurance products, amongst others, Yuanxin Huibao Group can leverage on YX Group's extensive network of pharmacies to save on search cost for pharmacies and to ensure stable supply of drugs for the patients. This arrangement will also enhance the sales of the drugs for the YX Pharmacies which supply the drugs to satisfy the users who subscribed for the insurance plans. On the other hand, users of Yuanxin Huibao Group who have subscribed to certain designated insurance programmes will be able to obtain a stable supply of drugs with partial reimbursement of the cost, which may enhance the customer loyalty on Yuanxin Huibao Group's integrated platform.

Pricing policies

The pricing of the drugs are determined based on (i) the prevailing market price of the relevant drugs, (ii) the cost of the drugs that is expected to be reimbursed by other insurance companies in the industry and (iii) the amount reimbursement offered by the designated health insurance plans that the users are eligible for.

Historical amounts

The historical transaction amounts for the Track Record Period are set out below:

Transaction amount over the Track Record Period (in RMB)		
FY2023	**FY2024**	**FY2025**
65,667,653	78,168,261	94,708,463

Annual caps

In respect of the Insurance Drug Procurement Framework Agreement, the transaction amounts to be paid by Yuanxin Huibao Group to our YX Pharmacies for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

Expected maximum transaction amount for the three years ending December 31, 2028 (in RMB)		
FY2026	**FY2027**	**FY2028**
133,000,000	186,000,000	260,000,000

Basis of caps

The above proposed annual caps have been determined primarily based on the following factors, including:

(i) historical transaction amounts for the payment of drugs increased from approximately RMB65.7 million in 2023 to approximately RMB78.2 million in 2024, and further to RMB94.7 million in 2025. This growth is expected to continue as we intend on expanding our insurance-related businesses and the expected increase in the number of patients subscribing for the insurance programmes;

(ii) in relation to the major sector of patients that the insurance programmes are intended to cover:

(A) Huimin Bao is an inclusive health insurance programme that is backed by the local governments and launched in multiple cities across China. Participants of Huimin Bao are able to purchase drugs at designated YX Pharmacies and have the payments settled through Yuanxin Huibao Group which is in cooperation with the Huimin Bao programme. According to Frost & Sullivan, the Chinese government has promulgated a number of policies in support of enabling reimbursement of social health insurance, promoting the reimbursement-driven insurance business model and accelerating the growth of the commercial health insurance market. The Chinese government has further set out a clear goal for healthcare reform to enable everyone to have access to and afford basic healthcare services. Based on the favorable policy environment, the expected increase in penetration rate of commercial health insurance premium, it is expected that the market will reach RMB2,356.8 billion in 2030; and

(B) commercial insurance programmes initiated by Yuanxin Huibao Group in cooperation with insurance companies enable subscribers to purchase drugs at YX Pharmacies and other qualified pharmacies. The commercial insurance programmes can be primarily divided into two categories, specialty drugs insurance programmes and insurance programmes for specific demographic criteria. The key growth drivers for China's commercial health insurance market include rapid expansion of China' innovative drug pipeline, growing global validation through record cross-border licensing and business development activity, launch of the China's first commercial health insurance innovation drug list, acceleration of out-of-hospital and digital commercialization channels.

In particular, China specialty pharmacy market expects to increase to RMB422.1 billion in 2035. As for the insurance programmes for specific demographic criteria, its growth is dependent on the number of insurance product offerings. Customers of such insurance product offerings can purchase drugs at YX Pharmacies and have their payments settled by Yuanxin Huibao to YX Pharmacies and finally claimed by insurance companies. Based on the expected increase in individuals aged 65 years old to reach 320.3 million by 2035 and that China's demographic shift offers immense opportunities for healthcare market, we estimate elder people to generally have a greater need for medications and scientific disease management drugs. The aforementioned increase in insurance programmes is expected to drive the overall quantity of drugs purchased at XY Pharmacies by Yuanxin Huibao Group's users, and therefore increase the total transaction amount of the commercial insurance programmes.

Therefore the projected increase in the number of commercial insurance programmes under cooperation is estimated with reference to the industry trends and anticipated growth of the commercial health insurance market and Yuanxin Huibao's business.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Insurance Drug Procurement Framework Agreement for each of the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis and it is on normal commercial terms or better, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

WAIVERS

The non-exempt continuing connected transactions contemplated under the Insurance Drug Procurement Framework Agreement are expected to continue on a recurring basis after the [**REDACTED**] and have been entered into prior to the [**REDACTED**]. They have been fully disclosed in this document and potential [**REDACTED**] will participate in the [**REDACTED**] on the basis of such disclosure. Hence our Directors consider that strict compliance with the announcement and/or the independent shareholders' approval requirements would be impractical and unduly burdensome, and would impose unnecessary administrative costs upon us.

In relation to the partially-exempt continuing connected transactions contemplated under the Cloud Services Framework Agreement and the Shared IT Services Framework Agreement, since the highest applicable percentage ratio is expected to be 0.1% or more but less than 5%, the transactions contemplated thereunder are exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules. We have applied for[, and the Stock Exchange has granted us,] a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of these transactions.

In relation to the non-exempt continuing connected transactions contemplated under the Insurance Drug Procurement Framework Agreement, we have applied for[, and the Stock Exchange has granted us,] a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular (including the opinion and recommendation from an independent financial advisor) and independent shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules in respect of these transactions.

DIRECTORS' CONFIRMATION

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

SOLE SPONSOR'S CONFIRMATION

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Company in relation to the continuing connected transactions in this section; (ii) obtained necessary representations and confirmations from our Company and the Directors; and (iii) participated in the due diligence and discussions with the management of our Group. Based on the aforementioned, the Sole Sponsor is of the view that (i) the continuing connected transactions as set out in this section, for which waivers have been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms that are fair and reasonable and in the interest of our Company and the Shareholders as a whole; and (ii) the proposed annual caps of these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.