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## CONNECTED TRANSACTION

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We engage in certain transaction with our connected person from time to time in our ordinary and usual course of business, which will constitute a continuing connected transaction under Chapter 14A of the Listing Rules upon the [REDACTED].

### OUR CONNECTED PERSON

As of the Latest Practicable Date, Mr. Lai Zhitian (賴智填), our non-executive Director, held and controlled approximately 60.47% share capital of Zhongzhi Pharmaceutical Holdings Limited (中智藥業控股有限公司) (together with its subsidiaries, “**Zhongzhi Pharmaceutical Group**”), a company listed on the Stock Exchange (stock code: 3737) and principally engaged in pharmaceutical manufacturing and operation of chain pharmacies. By virtue of the foregoing, Zhongzhi Pharmaceutical Group is an associate of Mr. Lai Zhitian and therefore a connected person of our Company under Chapter 14A of the Listing Rules.

### FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

During the Track Record Period, Zhongzhi Pharmaceutical Group procured certain TCM decoction-ready products and TCM raw materials (collectively, the “**TCM Products**”) from our Group, including but not limited to, *Rhizoma pinelliae preparatum* (法半夏), *Rhizoma et radix notopterygii* (羌活), and *Rhizoma corydalis* (元胡) (the “**TCM Transactions**”). Such TCM Transactions were entered into (i) in the ordinary and usual course of business of our Group, (ii) on an arm’s-length basis, and (iii) on normal commercial terms with the consideration being determined with reference to the market price of the TCM Products. The TCM Transactions are expected to continue after the [REDACTED].

As the TCM Transactions are carried out in our ordinary and usual course of business on normal commercial terms, the annual transaction amount, on an aggregated basis, will be less than HK\$3,000,000 and the highest applicable percentage ratio for the purpose of Chapter 14A of the Listing Rules will be less than 5%, the TCM Transactions are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.