In our ordinary and usual course of business, we have entered into certain agreements with our connected persons. After the **[REDACTED]**, the transactions disclosed in this section will constitute connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon the **[REDACTED]**:

Name of our connected persons	Connected relationship
CMS and subsidiaries and companies controlled by it (together, the "**CMS Group**")	CMS is a company under the common control with A & B Assets Management, one of our substantial shareholders, and hence an associate of A & B Assets Management. Accordingly, members of the CMS Group are connected persons of our Company

SUMMARY OF OUR CONNECTED TRANSACTIONS

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

Connected transactions	Applicable Listing Rules	Waiver sought	Historical transaction amounts (inclusive of tax)	Proposed annual caps (inclusive of tax)
Master Supply Agreement.	14A.35, 14A.36, 14A.46 and 14A.105	Announcement, circular and independent shareholders' approval requirements	2023: RMB364.5 million 2024: RMB235.1 million 2025: RMB505.0 million	2026: RMB781 million 2027: RMB859 million 2028: RMB945 million

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Master Supply Agreement

Background and principal terms

On [•], 2026, our Company and CMS entered into a master supply agreement (the "**Master Supply Agreement**"), pursuant to which members of our Group may from time to time procure and purchase pharmaceuticals and related products from members of CMS Group.

Subject to the terms of the Master Supply Agreement, the Group will enter into specific agreements with CMS to set out specific terms and conditions when necessary according to the principles and scope provided for under the Master Supply Agreement.

The term of the Master Supply Agreement commenced on [January 1, 2026] and will end on December 31, 2028. The Master Supply Agreement can be renewed by the agreement between CMS and us subject to compliance with the requirements under applicable laws, regulations and rules (including but not limited to the Listing Rules). CMS shall and shall procure its affiliates to allow the Company's auditors sufficient access to their records for the purpose of reporting on the transactions under the Master Supply Agreement.

Reasons for the transactions

As our Group provides digitalized sales of pharmaceutical products in the out-of-hospital pharmaceutical market, we sell a wide range of pharmaceutical products through our sales network. Considering CMS is a reputable pharmaceutical company with decades of track record in supply of pharmaceutical products, we stand to offer a wider range of products for distribution in our sales channels and network by procuring and selling CMS Group's products. Since early 2025 and before CMS became our substantial shareholder and a connected person, we entered into strategic cooperation with CMS and became CMS Group's sales channel for its pharmaceutical products to ensure stability in supply of CMS Group's products in our network and increase our bargaining power in the market. By entering into the Master Supply Agreement, our procurement of CMS Group's products and sale of such products in our sales network can continue after **[REDACTED]**.

Pricing policy

The terms of the Master Supply Agreement were determined on normal commercial terms after arm's length negotiations between CMS and us. The sales price of the pharmaceuticals and related products will be based on (i) the cost and expenses incurred by CMS, taking into account a profit margin acceptable to our Group when selling the products, (ii) the prevailing market price of the products, (iii) the price of similar products offered by independent third parties to the Group, and (iv) the product price of historical transactions between the CMS Group and us.

To ensure the Group's purchase of products from the CMS Group are on normal commercial terms or better, the Procurement Center of the Group will check and approve each purchase orders or underlying agreements to be signed with CMS Group to ensure that the terms of purchase are (i) no less favourable to our Group than terms available from independent third parties for similar products at similar quantities and (ii) where applicable, no less favourable than publicly listed prices. In doing so, the Procurement Center of the Group is required to obtain and review quotations from two independent third party supplier of similar products to ensure the unit price offered by CMS Group would remain competitive.

Historical transaction amounts

For the years ended December 31, 2023, 2024 and 2025, the total transaction amounts (inclusive of tax) in respect of our purchase of pharmaceuticals and related products from the CMS Group are set out as follows:

	For the year ending December 31,		
	2023	**2024**	**2025**
		(RMB million)	
Purchase of pharmaceuticals and related products from the CMS Group	364.5	235.1	505.0

The historical transaction amounts experienced year-on-year decrease of approximately 36% from 2023 to 2024. This was primarily because of the change in distribution channels of CMS in 2023 and 2024, with more of its products supplied to customers other than our Group. During the Track Record Period, the pricing and other terms of the Group's purchases from the CMS Group were negotiated on arm's length basis most of the agreements for which were negotiated, concluded and entered into prior to A & B Assets Management became a substantial shareholder of the Company. Taking into account a wide range of factors including the quantity being purchased and the strategic value of its cooperation with the CMS Group, the Directors were of the view that the pricing, the other terms of purchases and the actual price of the products purchased were substantially comparable and no less favourable what would otherwise be made available to the Company by other independent third party suppliers in like circumstances. In December 2024, the Company and various members of CMS Group entered into exclusive supply agreements in connection with the supply of designated pharmaceutical and related products of CMS Group to the Company at designated unit price, which were determined based on arm's length negotiation. As a result of the exclusive agreements, there was a substantial increase in the transaction amount for the year ended December 31, 2025.

Based on the terms of these agreements, the Company shall be an exclusive sales agent for selling to such designated products of CMS Group to hospitals, clinics, community centers, designated pharmaceutical chains, pharmaceutical outlets or other resellers of pharmaceutical products from January 1, 2025 to December 31, 2025. The products covered under the aforesaid agreements include prescription pharmaceuticals and dermatological products.

Into 2026, the Company has renewed these supply agreements with CMS Group without the exclusive sales arrangements. Nevertheless, the Directors are of the view that customer stickiness has been established through the exclusivity arrangement in 2025. As such, the Company remains committed to continue its cooperation with CMS Group on normal commercial terms.

Annual caps and basis

The proposed annual caps (inclusive of tax) in respect of the transactions contemplated under the Master Supply Agreement for the years ending December 31, 2026, 2027 and 2028 are as follows:

	For the year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Purchase of pharmaceuticals and related products from the CMS Group	781	859	945

The above proposed annual caps are estimated after taking into account the following factors:

(i) The actual procurement amount for such products for the year ended December 31, 2025 is approximately RMB505.0 million, which represents an approximate increase of 115% of the procurement amount in 2025, as compared to 2024. The increase primarily resulted from the increase in sales of the sales and marketing advantage we had build-up under exclusive sale arrangements we established with CMS Group for 2025;

(ii) The annual cap for the year ending December 31, 2026 is expected to be RMB781 million, which represents increase of 55% on a year on year basis. The expected increase takes into account the potential continued increase in sales, riding on:

(a) As of the Latest Practicable Date, the procurement amount for the three months ended March 31, 2026 is estimated to be approximately RMB197.6 million, demonstrating a strong growth of the procurement from CMS Group;

(b) our deepened market penetration in CMS Group's pharmaceutical products which resulted from the exclusive sales arrangement in 2025;

(c) the boost in market demand in one of CMS Group's products which was introduced in the market in the first quarter of 2026, which simultaneously stimulated our procurement from CMS Group;

(d) our expected increase in marketing efforts in 2026 to fully capture the aforesaid market advantage and penetration;

(e) our expectation to increase the variety of pharmaceutical products to be procured from CMS Group, primarily in the category of prescription pharmaceuticals and dermatological products, in addition to those we procured in 2025 as disclosed above; and

(f) the continued increase in market demand in China's out-of-hospital pharmaceutical market, which is expected to be at CAGR of 9.9%, according to Frost & Sullivan.

(iii) the annual cap for the each of the year ending December 31, 2027 and 2028 is expected to be RMB859 million and RMB945 million, respectively, which represents increase of 21% on a year-on-year basis. The expected increases take into account (i) the expected continued increase in the market demand for CMS Group's products; and (ii) the potential continued increase in sales the continued increase in market demand in China's out-of-hospital pharmaceutical market, which is expected to be at CAGR of 9.9%, according to Frost & Sullivan.

The aforesaid estimates for 2026, 2027 and 2028 are in line with the expected growth at a CAGR of 9.9% in China's out-of-hospital pharmaceutical market, according to Frost & Sullivan.

Implications under the Listing Rules

As the highest of all applicable percentage ratios in respect of the transactions contemplated under the Master Supply Agreement will be more than 5%, such transactions will be subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR WAIVERS

The transactions described under the subsection headed "—Non-Exempt Continuing Connected Transactions" above will constitute our connected transactions subject to those requirements under Chapter 14A of the Listing Rules upon the **[REDACTED]**.

As the non-exempt continuing connected transactions are expected to be carried out on a recurring and continuing basis and to extend over a period of time, and their material terms have been disclosed in this Document, our Directors are of the view that strict compliance with the aforementioned announcement, circular and independent shareholders' approval requirements (as the case may be) under the Listing Rules would be impracticable and unduly burdensome and would impose unnecessary administrative costs upon our Company.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver exempting us from strict compliance with (i) the announcement requirement under the Listing Rules in respect of the connected transactions as disclosed in "—Non-exempt Connected Transactions"; and (ii) the announcement, circular and independent shareholders' approval requirements under the Listing Rules in respect of the continuing connected transactions as disclosed in "—Non-exempt Continuing Connected Transactions" in this section, subject to the condition that the aggregate amounts of the connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps as stated above.

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 connected transactions referred to in this Document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

INTERNAL CONTROL MEASURES

We have adopted the following internal control procedures to ensure that the continuing connected transactions are fair and reasonable and on normal commercial terms or better, and comply with applicable laws and regulations (including the Listing Rules):

- we have adopted and implemented a management system on connected transactions. Under such system, the Board and various internal departments of our Group will be responsible for the control and daily management in respect of the continuing connected transactions;

- the Board and various internal departments of our Group (including but not limited to the finance department and legal department) will be jointly responsible for evaluating the terms under the relevant agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;

- the Board and the finance department of our Group will regularly monitor the continuing connected transactions (including but not limited to transaction amounts and annual caps under the relevant agreements) and our management will regularly review the pricing policies to ensure continuing connected transactions are performed in accordance with the relevant agreements;

- when considering pricing for connected transactions, our Group will routinely research prevailing market conditions and practices and make reference to the pricing and terms between our Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by or to our connected persons are fair, reasonable and no less favorable than those to be offered by or to independent third parties;

- the Audit Committee shall conduct periodic examination of the overall situation of the continuing connected transactions, and report the review opinions to our Board; our independent non-executive Directors will conduct annual reviews of the continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and conducted according to the terms of the relevant agreements;

- the auditor of our Company shall issue a letter to our Board to express opinions on the continuing connected transactions on an annual basis. We shall allow our auditor to review and check the relevant accounts to facilitate them to express opinions; and

- when considering any renewal or revisions to the Master Supply Agreement after the **[REDACTED]**, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings and shareholders' meetings (as the case may be).

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions have been and will continue to be carried out in the ordinary and usual course of business of our Company and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SPONSOR

Based on the due diligence performed by the Sole Sponsor, including review of the documents and information provided by our Company in relation to the above continuing connected transactions and the basis of calculating the annual caps and discussions with our senior management, and necessary representations and confirmations from our Company and Directors, the Sole Sponsor is of the view that the non-exempt continuing connected transactions set out above have been and will continue to be carried out in the ordinary and usual course of business of our Company and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.