CONNECTED TRANSACTIONS

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

OUR CONNECTED PERSONS

The following persons, with whom we have entered into certain transactions in our ordinary course of business, will become our connected persons as defined under the Listing Rules upon [**REDACTED**]:

Name of our Connected Person	Connected Relationship
CSPC Pharmaceutical . . .	CSPC Pharmaceutical is a Controlling Shareholder. Accordingly, CSPC Pharmaceutical and its subsidiaries are connected persons of the Company.
CHL	CHL is a majority-controlled company held by a family member of a director of the Company in the past 12 months. Accordingly, CHL and its subsidiaries (the "**CHL Group**") are connected persons of the Company.
Megalith Biopharmaceutical	Megalith Biopharmaceutical is held as to 80% and 20% by the Company and NBP Pharmaceutical, our Controlling Shareholder, respectively. As such, Megalith Biopharmaceutical is a connected subsidiary and a connected person of the Company.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We [have entered] into the following transactions with our connected persons, which were entered into on normal commercial terms or better and are expected to continue after the [**REDACTED**]. Our Directors currently expect that the highest applicable percentage ratio in respect of the respective aggregate transaction amount as set out below, calculated for the purpose of Chapter 14A of the Listing Rules, will be less than 0.1% on an annual basis. Under Rule 14A.76(1) of the Listing Rules, these transactions will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements.

1. Patents and Technologies Licensing Agreement

In September 2025, Megalith Biopharmaceutical entered into a licensing agreement with CSPC Zhongqi, a subsidiary of CSPC Pharmaceutical (the "**Patents and Technologies Licensing Agreement**"), pursuant to which CSPC Zhongqi granted Megalith Biopharmaceutical for nil consideration a non-exclusive and non-transferable license to use certain patents and technologies to conduct subsequent research and sales of LNPs for as long as such patents remain valid. Access to these patents and technologies allows us to generate LNPs with uniform particle size, good stability, and high mRNA encapsulation, enabling enhanced uptake by the immune system. Our consistent production of high-quality LNPs provides a solid support for the R&D and commercialization of mRNA vaccines.

Pursuant to Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the agreement to be of a duration longer than three years. The Directors consider that the Patents and Technologies Licensing Agreement was entered into on normal commercial terms or better and a longer duration of the agreement will avoid any unnecessary interruption to our R&D and commercialization of mRNA vaccines and help ensure the long-term development and continuity of our R&D and commercialization of mRNA vaccines. The Sole Sponsor agrees with the Company's reasons for requiring a longer term for the Patents and Technologies Licensing Agreement, and is of the view that entering into such agreement with a duration of over three years is in line with normal business practice.

As the license to use patents and technologies under the Patents and Technologies Licensing Agreement does not involve any licensing fee, the transactions under the Patents and Technologies Licensing Agreement constitute de minimis transactions and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

2. Provision of Products Framework Agreement

In [●], 2026, the Company entered into a provision of products framework agreement with Megalith Biopharmaceutical, pursuant to which we will provide functional ingredients and nutritional products to Megalith Biopharmaceutical. The precise scope of the provision of products, fees calculation, payment terms and other details will be agreed between the relevant parties separately based on the principles, and within the parameters provided, under the Provision of Products Framework Agreement. The initial term of the Provision of Products Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2026, subject to renewal upon mutual consent by the parties.

Pricing Policy

All fees under the Provision of Products Framework Agreement shall be determined through arm's length negotiations based on normal commercial terms, with reference to (i) the actual costs incurred and profit margins achieved on sales to Independent Third Parties, (ii) profit margins of comparable companies providing similar products and (iii) historical and prevailing market prices for similar services and/or products, and taking into account various factors including but not limited to specifications, complexity and quality of the products, response time and transaction volumes.

Reasons for the Transaction

Megalith Biopharmaceutical has been purchasing functional ingredients and nutritional products from us for product display and R&D purposes. As Megalith Biopharmaceutical is one of our major subsidiaries, we have a comprehensive understanding of its business and we are capable of satisfying its requirements efficiently and reliably with a stable supply of high quality products, and entering into the Provision of Products Framework Agreement would minimize disruption to daily operations without incurring unnecessary costs for Megalith Biopharmaceutical.

Historical Amounts

For the three years ended December 31, 2023, 2024 and 2025, the total historical transaction amounts under the Provision of Products Framework Agreement were approximately nil, RMB10,592.02 and RMB39,710, respectively.

Annual Cap

Our Directors estimate that the maximum transaction amount under the Provision of Products Framework Agreement for the year ending December 31, 2026 will not exceed RMB[20,000]. The proposed annual cap has been determined with reference to, among others, the historical transaction amounts under the existing provision of products arrangements and that Megalith Biopharmaceutical's demand for functional ingredients and nutritional products from us is expected to increase due to its business needs.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We [have entered] into the following types of transactions with our connected persons, which were entered into on normal commercial terms or better and are expected to continue after the [**REDACTED**]. Our Directors [have approved] the transactions and our independent non-executive Directors [have confirmed] that the terms of the transactions are fair and reasonable, the transactions are on normal commercial terms and in the interests of the Company and our Shareholders as a whole. Our Directors currently expect that the highest applicable percentage ratio in respect of the respective aggregate transaction amount as set out below, calculated for the purpose of Chapter 14A of the Listing Rules, will exceed 0.1% but be less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement.

3. Warehouse Leasing Framework Agreement

On [●], 2026, CSPC Innovation USA, our subsidiary, entered into a Warehouse Leasing Framework Agreement with a subsidiary of CSPC Pharmaceutical, CSPC Healthcare Inc. (“**CSPC Healthcare**”) (the “**Warehouse Leasing Framework Agreement**”), pursuant to which CSPC Innovation USA will lease warehouses for the storage of inventories from CSPC Healthcare who will also provide warehouse storage services to CSPC Innovation USA. The initial term of the Warehouse Leasing Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2026, subject to renewal upon mutual consent by the parties. The transactions under the Warehouse Leasing Framework Agreement will not be recognized as right-of-use assets over the term of the lease.

Pricing Policy

The rental fees payable by us during the term of the lease will be determined on normal commercial terms after arm's length negotiations between the relevant parties, and shall be in line with or no higher than the prevailing market rates of warehouses of comparable size and quality situated in the same location provided by Independent Third Parties. Further, the rental fees are determined after taking into account, among other things, the quantity of inventories stored in the warehouses. CSPC Innovation USA will make inquiries on and survey the rents offered by Independent Third Parties for warehouse facilities of comparable size and quality situated in the same location, in order to assess the prevailing market rates for comparison to ensure that the rental fees payable by CSPC Innovation USA are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Reasons for the Transaction

Our Group requires warehouse facilities for the storage and distribution of inventories to support our business operations. We have historically leased warehouses from CSPC Healthcare and the existing leasing arrangements provide access to strategically located warehouse facilities that meet the operational requirements of our Group. CSPC Healthcare has a better understanding of our property requirements in relation to warehouses as compared to Independent Third Parties. In addition, relocating the warehouses to other premises will cause unnecessary disruptions to our normal business operations and incur unnecessary costs. We consider that the terms of the Warehouse Leasing Framework Agreement are consistent with normal commercial terms which can safeguard our entitlement to long-term property rights, therefore allowing us to achieve long-term development and continuity of our business operations.

Historical Amounts

For the three years ended December 31, 2023, 2024 and 2025, the historical transaction amounts under the Warehouse Leasing Framework Agreement were approximately RMB10.28 million, RMB16.61 million, and RMB9.62 million, respectively.

Annual Cap

Our Directors estimate that the maximum transaction amount under the Warehouse Leasing Framework Agreement for the year ending December 31, 2026 will not exceed RMB[13.00] million.

In determining the proposed annual cap set forth above, the Directors have taken into account (i) the historical transaction amounts, (ii) the Company's business outlook and the anticipated growth in sales, which may result in a marginal reduction in the storage capacity and warehouse facilities required, and (iii) the estimated annual rental fees for the warehouses to be leased from CSPC Healthcare, which are expected to remain relatively stable having regard to the prevailing market rates and our long-standing relationship with CSPC Healthcare.

4. Mutual Provision of Products Framework Agreement

On [●], 2026, the Company entered into a Mutual Provision of Products Framework Agreement with CHL (the "**Mutual Provision of Products Framework Agreement**"), pursuant to which certain subsidiaries of CHL will provide R&D materials and other ancillary products to our Group. Further, pursuant to the Mutual Provision of Products Framework Agreement, our Group will provide the following products to certain subsidiaries of CHL: (i) functional ingredients, (ii) nutritional products, (iii) biological products and (vi) other ancillary products. The precise scope of the mutual provision of products, fees calculation, payment terms and other details will be agreed between the relevant parties separately based on the principles, and within the parameters provided, under the Mutual Provision of Products Framework Agreement.

The initial term of the Mutual Provision of Products Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2026, subject to renewal upon mutual consent by the parties.

Pricing Policy

All fees under the Mutual Provision of Products Framework Agreement shall be determined through arm's length negotiations based on normal commercial terms, with reference to (i) the actual costs incurred and profit margins achieved on sales to Independent Third Parties, (ii) profit margins of comparable companies providing similar products and (iii) historical and prevailing market prices for similar services and/or products, and taking into account various factors including but not limited to specifications, complexity and quality of the products, response time and transaction volumes.

Reasons for the Transaction

Our Group has been purchasing a variety of products from certain subsidiaries of CHL to satisfy our business and operational needs. Moreover, given our experience in R&D and manufacturing, we have been leveraging on our existing expertise to provide various products to certain subsidiaries of CHL and generate revenue. Owing to the complementary and mutually beneficial business relationship, our Group and CHL Group have acquired a comprehensive understanding of each other's business and operational requirements and established a solid foundation for mutual trust to foster our continuing cooperation. Based on our previous experience, both of our Group and CHL Group are capable of satisfying each other's business needs efficiently and reliably with a stable supply of high quality products, and entering into the Mutual Provision of Products Framework Agreement would minimize disruption to operations without incurring unnecessary costs for both parties.

Historical Amounts

For the three years ended December 31, 2023, 2024 and 2025, the total historical transaction amounts for the provision of functional ingredients and nutritional products by us to certain subsidiaries of CHL were approximately RMB40.22 million, RMB44.12 million and RMB59.66 million, respectively, and the total historical transaction amounts for the provision of R&D materials by certain subsidiaries of CHL to our Group were approximately RMB0.01 million, RMB0.01 million and RMB0.62 million, respectively.

Annual Caps

The proposed annual caps of the transactions contemplated under the Mutual Provision of Products Framework Agreement are as follows:

	For the year ending December 31, 2026
	(RMB in million)
Transaction amount for the provision of products by us to certain subsidiaries of CHL	[80.00]
Transaction amount for the provision of products by certain subsidiaries of CHL to our Group	[1.10]

The proposed annual caps have been determined with reference to, among others, the following factors:

(a) the expected significant increase in our demand for R&D materials, in particular, cisplatin/carboplatin injections, from certain subsidiaries of CHL, which is in line with the expected business growth and operational requirements of our Group; and

(b) the expected significant increase in the sales of our biological products, in particular, Enshuxing, Enyitan and Guoweikang, to certain subsidiaries of CHL who are our distributors, taking into account, among others, the forecasted market demand for and the ability of such subsidiaries of CHL to sell our products.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We [have entered] into the following type of transactions with connected persons, which were entered into on normal commercial terms or better and are expected to continue after the [**REDACTED**]. Our Directors [have approved] the transactions and our independent non-executive Directors [have confirmed] that the terms of the transactions are fair and reasonable, the transactions are on normal commercial terms and in the interests of the Company and our Shareholders as a whole. Our Directors currently expect that the highest applicable percentage ratio in respect of the aggregate transaction amount within each such category as set out below, calculated for the purpose of Chapter 14A of the Listing Rules, will exceed 5%. Following the [**REDACTED**], these transactions will be subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. Mutual Provision of Services and Products Framework Agreement

In [●], 2026, the Company entered into a Mutual Provision of Services and Products Framework Agreement with CSPC Pharmaceutical (the "**Mutual Provision of Services and Products Framework Agreement**"), pursuant to which certain subsidiaries of CSPC Pharmaceutical will provide the following services and products to our Group: (i) R&D services, (ii) environmental treatment services, (iii) construction services, (iv) raw materials for production, (v) energy supplies, and (vi) other ancillary services and products. Further, pursuant to the Mutual Provision of Services and Products Framework Agreement, we will provide the following products and services to certain subsidiaries of CSPC Pharmaceutical: (i) functional ingredients, (ii) nutritional products, (iii) manufacturing services, and (iv) other ancillary products and services. The precise scope of the mutual provision of services and products, fees calculation, payment terms and other details will be agreed between the relevant parties separately based on the principles, and within the parameters provided, under the Mutual Provision of Services and Products Framework Agreement.

The initial term of the Mutual Provision of Services and Products Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2026, subject to renewal upon mutual consent by the parties.

Pricing Policy

All fees under the Mutual Provision of Services and Products Framework Agreement shall be determined through arm's length negotiations based on normal commercial terms, with reference to (i) the actual costs incurred and profit margins achieved on sales to Independent Third Parties, (ii) profit margins of comparable companies providing similar services and/or products and (iii) historical and prevailing market prices for similar services and/or products, and taking into account various factors including but not limited to specifications of the products and services, complexity and quality of the services, response time and transaction volumes. In particular, the service fees will be determined on a cost-plus basis and the fees for energy supplies are determined based on actual consumption and real-time market rates.

Reasons for the Transaction

Our Group has been purchasing a variety of services and products from CSPC Pharmaceutical Group to satisfy our business and operational needs. Moreover, we have been leveraging on our existing expertise to provide various products and services to CSPC Pharmaceutical Group and generate revenue. Owing to the complementary and mutually beneficial business relationship, our Group and CSPC Pharmaceutical Group have acquired a comprehensive understanding of each other's business and operational requirements and established a solid foundation for mutual trust to foster our continuing cooperation. Based on our previous experience, both of our Group and CSPC Pharmaceutical Group are capable of satisfying each other's business needs efficiently and reliably with a stable supply of high quality services and products, and entering into the Mutual Provision of Services and Products Framework Agreement would minimize disruption to operations without incurring unnecessary costs for both parties.

Historical Amounts

For the three years ended December 31, 2023, 2024 and 2025, the total historical transaction amounts for the provision of functional ingredients and nutritional products by us to certain subsidiaries of CSPC Pharmaceutical were approximately RMB300.13 million, RMB174.35 million and RMB57.76 million, respectively, and the historical transaction amounts for the provision of raw materials, environmental treatment services, construction services and R&D services by certain subsidiaries of CSPC Pharmaceutical to our Group were approximately RMB50.67 million, RMB162.72 million and RMB161.08 million, respectively.

Annual Caps

The proposed annual caps of the transactions contemplated under the Mutual Provision of Services and Products Framework Agreement are as follows:

	For the year ending December 31, 2026
	(RMB in million)
Transaction amount for the provision of services and products by us to certain subsidiaries of CSPC Pharmaceutical	[193.82]
Transaction amount for the provision of services and products by certain subsidiaries of CSPC Pharmaceutical to our Group	[276.15]

The proposed annual caps have been determined with reference to, among others, the following factors:

(a) the historical transaction amounts under the existing mutual provision of services and products arrangements between our Group and certain subsidiaries of CSPC Pharmaceutical;

(b) the expected increase in demand for our functional ingredients and nutritional products, in particular, the demand for our acarbose and anhydrous glucose from certain subsidiaries of CSPC Pharmaceutical is expected to increase due to their business needs; and

(c) the expected significant increase in our demand for R&D services and raw materials for production, in particular, our demand for CROs from certain subsidiaries of CSPC Pharmaceutical is expected to increase, in view of the progress of our certain R&D projects, and we anticipate to procure more originator drugs from certain subsidiaries of CSPC Pharmaceutical to satisfy our requirements for production and R&D, in the meantime, our demand for construction services from certain subsidiaries of CSPC Pharmaceutical is also expected to increase due to our plan to renovate or expand our storage facilities, which is in line with the expected business growth and operational requirements of our Group.

WAIVER APPLICATION FOR PARTIALLY-EXEMPT AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Directors, including the independent non-executive Directors, consider that disclosure and approval of the partially-exempt and non-exempt continuing connected transactions described above in full compliance with the Listing Rules would be impractical and unduly burdensome, given the operational nature and frequency of these transactions, and would impose unnecessary administrative costs on the Company. In addition, the Directors are of the view that it is in the interest of the Company to continue to enter into these transactions with connected persons described above after the [**REDACTED**].

As a result, the Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement and independent shareholders' approval requirements in respect of the above partially exempt and non-exempt continuing connected transactions, provided that the aggregate transaction amount of such continuing connected transactions shall not exceed the proposed annual cap set out above.

The Directors confirm that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules and will immediately inform the Stock Exchange if any of the proposed annual caps set out above are exceeded, or when there is a material change in the terms of transactions. Save for the continuing connected transactions for which a waiver has been granted, the Directors confirm that the Company will maintain full compliance with all applicable requirements under Chapter 14A of the Listing Rules.

Directors' Confirmation

The Directors (including the independent non-executive Directors) are of the view that the above continuing connected transactions have been and will continue to be entered into in the ordinary and usual course of business on normal commercial terms, the terms and proposed annual caps of which are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

Confirmation from the Sole Sponsor

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Company in connection with the aforesaid continuing connected transactions; and (ii) engaged in due diligence review and discussions with the management of the Company. On the basis of the foregoing, the Sole Sponsor is of the view that the aforementioned partially-exempt and non-exempt continuing connected transaction (in respect of which a waiver is sought) have been entered into in the ordinary and usual course of business on normal commercial terms or better, the terms and proposed annual cap of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.