OVERVIEW

Prior to the [**REDACTED**], the Group has entered into certain transactions with Fosun International, Fosun Pharma (each a Controlling Shareholder) and/or their respective associates, who will, upon the [**REDACTED**], become connected persons of the Company. Following the [**REDACTED**], the following transactions will constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Trademark Licensing Arrangements

The Company entered into certain trademark licensing arrangements with Fosun Pharma on April 2, 2025, April 18, 2025 and December 17, 2025, respectively, pursuant to which Fosun Pharma agreed to grant the Group a license to use certain trademarks which have been or are being registered by Fosun Pharma for the Group's use in connection with its operations on an exclusive, royalty-free and perpetual basis for so long as the relevant trademarks remain valid (the "**Trademark Licensing Arrangements**").

As the license of the trademarks granted by Fosun Pharma to the Group is on a royalty-free basis, the transactions under the Trademark Licensing Arrangements fall within the *de minimis* threshold under Rule 14A.76(1)(a) of the Hong Kong Listing Rules and will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Rule 14A.52 of the Hong Kong Listing Rules provides that the period for the agreement of a continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. The Directors are of the view that the nature of the Trademark Licensing Arrangements require a longer period based on the grounds that (i) the Trademark Licensing Arrangements are on a royalty-free basis and allows the Group to use the licensed trademarks of Fosun Pharma during the daily business operations, which is long term in nature. Imposing a restriction on the term of the Trademark Licensing Arrangements for a period of three years would deviate from the market prevailing practice and be contrary to the business intention of the parties; (ii) such a perpetual term of the Trademark Licensing Arrangements can ensure the stable use of the relevant trademarks by the Group, which is in the interest of the Company and its Shareholders as a whole; and (iii) as confirmed by Frost & Sullivan, the term of the Trademark Licensing Arrangements, which exceeds three years, is in line with the industry prevailing practice. The Joint Sponsors are of the view that nothing causes them to believe that it is not a normal business practice for similar Trademark Licensing Arrangements to be of a term of longer than three years.

Procurement of Travel Agency Services

During its ordinary and usual course of business, the Group from time to time procures certain travel agency services from Hainan Fosun Trading Co., Ltd. (海南復星商社貿易有限公司, "**Hainan Fosun**") and its associates to support the Group's business travel needs. Hainan Fosun is a subsidiary of Fosun International. The fees charged by Hainan Fosun and its associates for the travel agency services are determined on an arm's length basis with reference to the prevailing market rates of the air tickets, accommodation and/or other forms of transportation, and are in line with service fees offered by Hainan Fosun and its associates to independent customers for similar services.

The Directors are of the view that procurement of travel agency services from Hainan Fosun and its associates would allow the Group to take advantage of bulk purchasing of resources at lower average costs and to enjoy economies of scale, which would maximize cost efficiency and optimize the business travel cost structure.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Hong Kong Listing Rules in respect of the aforesaid transactions, which are conducted on normal commercial terms or better, are expected to be less than 5% and the total consideration will be less than HK$3,000,000 on an annual basis, it will fall within the *de minimis* threshold under Rule 14A.76(1) of the Hong Kong Listing Rules and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

IT System Operation and Maintenance Agreement

On January 1, 2026, the Company entered into an IT system operation and maintenance agreement (the "**IT System Operation and Maintenance Agreement**") with Fosun Pharma Industrial Development, pursuant to which Fosun Pharma Industrial Development will provide certain operation and maintenance services to the Group's IT system. The fees charged by Fosun Pharma Industrial Development under the IT System Operation and Maintenance Agreement are determined on an arm's length basis with reference to the cost incurred by Fosun Pharma Industrial Development for providing the IT system operation and maintenance service.

The Company requires various operation and maintenance services in connection with the IT system to support the Group's business operation that are better handled and outsourced by service providers equipped with better technical services capabilities. As such, it would be more cost effective and efficient to outsource such services to Fosun Pharma Industrial Development, a wholly-owned subsidiary of Fosun Pharma, which is a leading innovative-driven global healthcare group with business operations strategically covering multiple important segments in the healthcare industry value chain that can provide highly responsive and convenient specialized IT system operation and maintenance services.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Hong Kong Listing Rules in respect of the transactions contemplated under the IT System Operation and Maintenance Agreement, which are conducted on normal commercial terms or better, are expected to be less than 5% and the total consideration will be less than HK$3,000,000 on an annual basis, it will fall within the *de minimis* threshold under Rule 14A.76(1) of the Hong Kong Listing Rules and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Procurement Framework Agreement

On [●], the Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Procurement Framework Agreement**") with Sinopharm Group Co. Ltd. (國藥控股股份有限公司, a company listed on the Hong Kong Stock Exchange with stock code 1099, "**Sinopharm**"), for itself and on behalf of its subsidiaries, pursuant to which, the Group would procure services (including but not limited to cold chain transportation and warehousing services) and raw materials (including but not limited to pharmaceutical reagents and consumables) from Sinopharm and its subsidiaries.

The initial term of the Procurement Framework Agreement will commence on the [**REDACTED**] and end on [December 31, 2028]. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of services and raw materials according to the principles provided in the Procurement Framework Agreement.

Reasons and Benefits for the Transactions

Sinopharm is a top-rank distributor and retailer of pharmaceuticals, medical devices and healthcare products, and a leading supply-chain service provider in the PRC. The Group has a long-term and stable business relationship with Sinopharm. Sinopharm is familiar with the Group's business needs, quality and timing standards and operational requirements in respect of the relevant services and raw materials procured by the Group for the R&D, manufacturing and sales of vaccines. The supply of the relevant services and raw materials by Sinopharm and its subsidiaries benefits the product transportation and operational efficiency of the Group.

Pricing Policy

The fees to be charged by Sinopharm and its subsidiaries for the relevant services and raw materials to be supplied to the Group pursuant to the Procurement Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the timing and quality requirements for the relevant services and raw materials (if applicable), type of raw materials and transaction volume with reference to the prices for the supply of the relevant services and raw materials of similar nature, type and quantity quoted by other Independent Third Parties in the market.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the relevant fees paid by the Group to Sinopharm and its subsidiaries for the supply of the relevant services and raw materials were RMB3.2 million, RMB1.7 million and RMB3.1 million, respectively.

Annual Caps and Basis of Annual Caps

For the years ending December 31, 2026, 2027 and 2028, the annual caps of the transaction amounts under the Procurement Framework Agreement are expected to be RMB5 million, RMB6 million and RMB7 million, respectively.

In arriving at the above annual caps, the Directors have considered, among others, the following factors:

(i) the historical transaction amounts for the supply of the relevant services and raw materials by Sinopharm and its subsidiaries to the Group;

(ii) the expected demand for the relevant services and raw materials of the Group in the coming three years based on future prospect of the Group's business and the business expansion plan of the Group, taking into consideration that the sales of the Group's vaccines are expected to significantly increase for the three years ending December 31, 2028, driven by the commercialization of the lyophilized human rabies vaccine (Vero cell) in 2024 and the commercialization of the quadrivalent split influenza vaccine in October 2025; and

(iii) other factors including but not limited to the expected market prices of the relevant services and raw materials and their future fluctuations.

Hong Kong Listing Rules Implications

As of the Latest Practicable Date, Sinopharm was held as to approximately 50.36% by Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司), which was in turn held as to 49% by Fosun Pharma. Accordingly, Sinopharm Group and its subsidiaries are associates of Fosun Pharma, and will become connected persons of the Company upon the [**REDACTED**].

As the highest applicable percentage ratio of the annual caps under the Procurement Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Hong Kong Listing Rules is higher than 0.1% but below 5%, such transactions will, upon the [**REDACTED**], constitute continuing connected transactions of the Company subject to the annual reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Rule 14A of the Hong Kong Listing Rules.

MEASURES TO SAFEGUARD THE INTERESTS OF THE SHAREHOLDERS

To safeguard the interests of the Company and its Shareholders as a whole, including the minority Shareholders, the Company has put in place certain internal approval and monitoring procedures relating to the proposed connected transactions contemplated under the agreements mentioned above, which include the following:

(a) the Company has formulated internal guidelines according to the Hong Kong Listing Rules, which provide approval procedures for connected transactions based on their nature and amounts;

(b) the pricing of the connected transactions should be no less favorable than the prices and conditions provided by independent third parties or provided to independent third parties in respect of similar products or services, if any;

(c) the Company shall collect the transaction amount information regularly and conduct analysis of the data to manage the connected transactions;

(d) the independent non-executive Directors and auditors will conduct annual review of the non-exempt continuing connected transactions mentioned above and provide annual confirmations in accordance with the Hong Kong Listing Rules that the non-exempt continuing connected transactions are conducted in accordance with terms of the relevant agreements, on normal commercial terms and in accordance with the pricing policy and do not exceed the proposed annual caps;

(e) in respect of the connected transactions not governed by the existing framework agreements (if any), the relevant operating entities shall communicate with the headquarters in advance and provide necessary documents to facilitate related decision-making and disclosure process; and

(f) additional approvals are required for transactions exceeding the proposed annual caps (if applicable).

WAIVERS

As the transactions contemplated under the Procurement Framework Agreement are expected to continue on a recurring and continuing basis, the Directors consider that compliance with the announcement requirement will be impractical, will incur unnecessary administrative costs for the Company, and will be unduly burdensome to the Group.

Accordingly, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver under Rule 14A.105 of the Hong Kong Listing Rules from compliance with the announcement requirement in respect of the Procurement Framework Agreement and the transactions contemplated thereunder.

In addition, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver under Rule 14A.52 of the Hong Kong Listing Rules from compliance with the requirements to set contractual term not exceeding three years in respect of the Trademark Licensing Arrangements.

CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole; (ii) the annual caps for those transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iii) the indefinite term of the Trademark Licensing Arrangements is in accordance with normal business practice, and the purpose of the Trademark Licensing Arrangements is to provide stability and certainty to the business of the Group and that therefore the indefinite term of the Trademark Licensing Arrangements is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the aforesaid partially exempt continuing connected transactions, (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Joint Sponsors are of the view that the aforesaid partially-exempt continuing connected transactions, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of such partially-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.