OVERVIEW

As of the Latest Practicable Date, Dr. Shi was directly interested in approximately 29.4% of our total issued share capital. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Dr. Shi will be entitled to exercise the voting rights attached to approximately [**REDACTED**]% of our total issued share capital. Therefore, Dr. Shi will be our Single Largest Shareholder upon [**REDACTED**] and our Company will not have any controlling shareholder as defined under the Listing Rules.

Dr. Shi is our Chairperson of the Board, executive Director and chief executive officer. See "Directors and Senior Management" for further details.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Shareholder and his close associates after the [**REDACTED**].

Management Independence

Our business is managed and conducted by the Board and senior management in a collective manner. Our Board consists of two executive Directors, four non-executive Directors and three independent non-executive Directors. For details of the background of the Board members and senior management team, see "Directors and Senior Management." Our Directors believe that the Board and senior management of our Company are able to operate our business independently of our Single Largest Shareholder and his close associates for the following reasons:

(i) our Directors are aware of their fiduciary duties as a director, which require, among other things, that they act for the benefits and in the interests of our Company and all our Shareholders as a whole and do not allow any conflict between their duties as a Director and their personal interests;

(ii) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(iii) our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Our independent non-executive Directors have extensive experience in different areas; and

(iv) in the event of a conflict of interest arising out of any transactions to be entered into by our Group, all Directors with conflicting interest shall abstain from voting in respect of such transactions and shall not be counted in forming a quorum at the relevant Board meetings.

Operational Independence

Our operations remain independent from our Single Largest Shareholder and his close associates for the following reasons:

(i) our Group possesses sufficient facilities, equipment, technology and human resources to operate its business independently from our Single Largest Shareholder and his close associates, and holds licenses and qualifications that are necessary for our business independently from our Single Largest Shareholder and his close associates;

(ii) our Group has an established and complete organizational structure, comprising various separate departments each charged with specific responsibilities independently without interference or intervention from our Single Largest Shareholder and his close associates; and

(iii) our Group has independent access to, among others, customers, suppliers, experts and other resources required for our business. We can exercise rights to make and implement our operational decisions independently.

Financial Independence

We have an independent financial system and finance team responsible for our own treasury functions and we have made, and will continue to make, financial decisions based on our own business needs. We have sufficient capital and banking facilities to operate our business independently, and have adequate resources to support our daily operations. In addition, we are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Shareholder or his close associates. We have an independent internal control and accounting system and make financial decisions according to our business needs.

As of the Latest Practicable Date, there were no loans, advances and balances due to our Single Largest Shareholder or his close associates, nor were there any pledges and guarantees provided by and to our Single Largest Shareholder or his close associates. Any loans, advances and balances due from our Single Largest Shareholder or his close associates will be settled before the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

Upon [**REDACTED**], save as disclosed in "Directors and Senior Management — Corporate Governance Code," we will comply with all other provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules, which sets out the principles of good corporate governance.

We have adopted or will adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Shareholder and his close associates:

(i) our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with our Single Largest Shareholder or his close associates, our Company will comply with the applicable Listing Rules as required by the Listing Rules;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholder and his close associates may have a material interest, they will not vote on the resolutions and shall not be counted in the quorum present at the meeting;

(iii) our independent non-executive Directors will provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) we have appointed Somerley Capital Limited as our Compliance Advisor pursuant to the Rule 3A.19 of the Listing Rules to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance;

(v) we have established our Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules. In addition, we will comply with relevant Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules to ensure effective function and supervision by these committees; and

(vi) The decision-making mechanism of the Board as set out in our Articles of Association includes provisions to avoid conflicts of interest by providing, among other things and subject to certain exceptions, that Directors whose close associates such as an entity controlled by them are involved in the matters to be resolved at the Board meeting shall declare their interest and shall not vote on such resolution.