CONTROLLING SHAREHOLDERS GROUP

As at the Latest Practicable Date, (i) approximately 32.79% of our issued Shares was directly held by Sichuan JND, which was in turn held as to 60% by Mr. Geng Funeng and 40% by Mr. Geng Fuchang, the brother of Mr. Geng Funeng; (ii) approximately 21.21% of our issued Shares was directly held by Cloud Health HK, which is wholly-owned by Ms. Geng Jie, the daughter of Mr. Geng Funeng; (iii) approximately 5.40% of our issued Shares was directly held by Hengqin National Medical Investment, which was controlled by Mr. Geng Yuefei, the son of Mr. Geng Funeng, as its general partner; (iv) approximately 4.72% of our issued Shares was directly held by Hengqin Cloud Healthcare, which was controlled by Mr. Geng Funeng as its general partner, and was owned as to 19.61% by Mr. Xue Yuan, the spouse of Ms. Geng Jie; and (v) approximately 1.87% of our issued Shares was directly held by Jiayue Ruihe, which was controlled by Mr. Geng Funeng as its general partner, and was owned as to 50.00% by Mr. Geng Funeng and 50% by Mr. Geng Yuefei.

In addition, Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei ("**Acting-in-Concert Parties**") have signed an acting in concert confirmation on January 1, 2022 ("**Acting in Concert Confirmation**"), pursuant to which Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei shall act in concert when exercising their respective right to propose, nominate and vote with respect to all material matters concerning the affairs of the Company. Pursuant to the Acting in Concert Confirmation, the Acting-in-Concert Parties shall reach consensus before voting unanimously at the general meetings of the Company. In the event consensus cannot be reached among the Acting-in-Concert Parties, Mr. Geng Funeng's decision shall prevail.

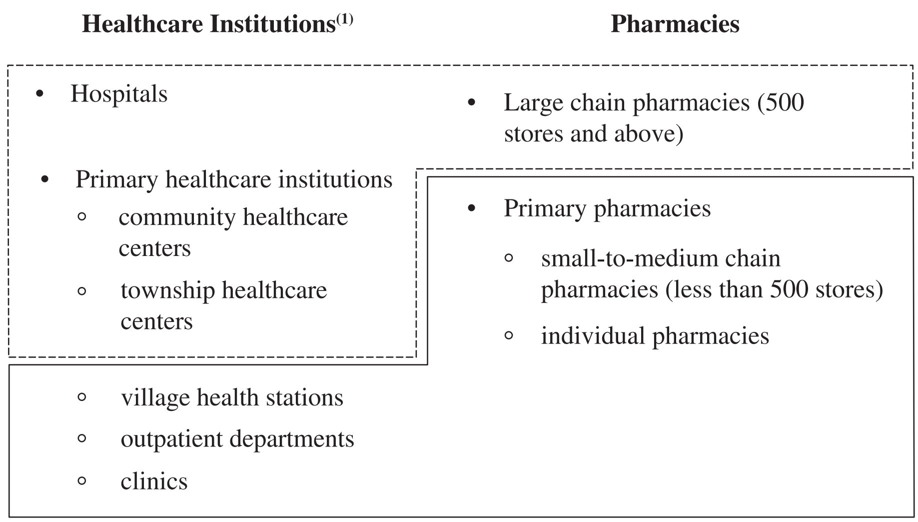
Accordingly, as at the Latest Practicable Date, Ms. Geng Jie, Mr. Geng Funeng, Mr. Geng Fuchang, Mr. Geng Yuefei, Mr. Xue Yuan, Sichuan JND, Cloud Health HK, Hengqin Cloud Healthcare, Hengqin National Medical Investment and Jiayue Ruihe were collectively entitled to control the exercise of approximately 65.99% of the voting rights at the general meeting of our Company. Immediately following completion of the [**REDACTED**], the aforementioned Shareholders of our Company will collectively be entitled to control the exercise of approximately [**REDACTED**]% of the voting rights at the general meeting of the Company, assuming the [**REDACTED**] is not exercised (or approximately [**REDACTED**]% of our issued Shares assuming the [**REDACTED**] is fully exercised). Therefore, Ms. Geng Jie, Mr. Geng Funeng, Mr. Geng Fuchang, Mr. Geng Yuefei, Mr. Xue Yuan, Sichuan JND, Cloud Health HK, Hengqin Cloud Healthcare, Hengqin National Medical Investment and Jiayue Ruihe constituted will constitute upon the [**REDACTED**] a group of controlling shareholders of our Company (the "**Controlling Shareholders Group**").

INTERESTS OF OUR CONTROLLING SHAREHOLDERS GROUP IN OTHER BUSINESSES

Sichuan JND and its close associates are primarily engaged in businesses including the manufacturing and sales of self-owned pharmaceutical products such as Chinese medicine, healthcare products and pharmaceutical drugs through itself and certain of its associates (the "**Excluded Business**").

Whilst the Company also engages in the supply of pharmaceutical products, our businesses and the Excluded Business are distinct from each other in the following aspects:

(i) the respective business model and the target customers of the Company and Sichuan JND are substantially different from each other in that (a) the pharmaceutical products sold by Sichuan JND are manufactured in-house by Sichuan JND whereas the products sold by the Company are primarily procured from upstream pharmaceutical manufacturers for direct OEM production under our own brands as well as the common pharmaceuticals under third-party brands; (b) the target customers of the Company and Sichuan JND can be divided as illustrated below.



Notes:

(1) Besides hospitals and primary healthcare institutions, healthcare institutions in China also include specialized public health institutions and other institutions according to CIC.

(2) – – – – – denotes the target customers of Sichuan JND.

(3) ________ denotes the target customers of the Company.

Whilst the target customers of the Company are mainly village health stations, outpatient departments, clinics, small-to-medium chain pharmacies and individual pharmacies, the target customers of Sichuan JND comprise hospitals, community healthcare centers and township healthcare centers, as well as large chain pharmacies. There is no overlapping in terms of the target customer categories as specified above between the Company and the Excluded Business. As of the Latest Practicable Date, there was no overlapping target customers between the Group and the Excluded Business. Therefore, there is clear business delineation between the respective business model and customer base of our Group and Sichuan JND;

Set out below is the delineation of target customers between the Excluded Business and the Group's business:

	Sichuan JND and its close associates	The Group	Delineation and measures to avoid potential competition
Medical institution customers	• Hospitals • Certain primary healthcare institutions ○ Community healthcare centers ○ Township healthcare centers	• Certain primary healthcare institutions ○ Village health stations ○ Outpatient departments ○ Clinics	• As advised by CIC, the classification of medical institution customers is in line with the categories of healthcare institutions under China Healthcare Statistics Yearbook (《中國衛生健康統計年鑑》) published annually with delineated definition and distinction among each type. • The medical institution customers of Sichuan JND and its close associates are typically subject to structured procurement systems: ○ Hospitals are subject to standardized centralized purchasing processes which include (i) departmental request submission, (ii) aggregation and formulary selection by the pharmacy management group, (iii) alignment with national/provincial policies (e.g., centralized procurement, medical insurance directory), (iv) online ordering via the "Pharmaceutical and Medical Consumables Procurement Management Subsystem", (v) "Two-Invoice System" circulation, and (vi) acceptance, warehousing, and ledger registration, with the whole processes under regulatory supervision;

Sichuan JND and its close associates	The Group	Delineation and measures to avoid potential competition
		○ Community healthcare centers and township healthcare centers are also subject to national or local pharmaceutical procurement requirements. For example, the "Notice on Regulating Pharmaceutical Procurement Management of Primary Healthcare Institutions (《關於規範基層醫療衛生機構藥品採購管理的通知》)" issued by the Hunan Provincial Medical Insurance Bureau (湖南省醫保局) in July 2023 explicitly requires that the procurement of pharmaceuticals by community healthcare centers and township healthcare centers could be only conducted through the "Drug and Medical Consumables Procurement Management Sub-system (藥品和醫用耗材招採管理子系統)". By contrast, typically there is no such stringent compulsory requirements on procurement of pharmaceuticals by village health stations, outpatient departments and clinics who have relatively smaller scale and therefore have smaller amount for each order. As advised by CIC, such customers require convenience and efficiency for their procurement process. • Due to the business scale, the medical institution customers of Sichuan JND and its close associates require a consistent supply of pharmaceutical products in larger volumes to cater to their broad patient and customer bases, and prefer pharmaceutical suppliers who will be able to provide stable supply with competitive prices, who are typically pharmaceutical manufacturers and their distributors. • Each medical institution has its own Medical Institution Practice License (醫療機構執業許可證) which specifies its own classification. To avoid potential competition, the Excluded Business and the Group would review such license and identify their respective targeted customers to mitigate potential competition.

	Sichuan JND and its close associates	The Group	Delineation and measures to avoid potential competition
Pharmacy customers	• Large chain pharmacies (500 stores and above)	• Primary pharmacies ○ Small- and medium-size chain pharmacies (less than 500 stores) ○ Individual pharmacies	• Large chain pharmacies and primary pharmacies are distinct in terms of business models and sizes. Due to the scale of the primary pharmacies, they may be in a less favorable position when negotiating with pharmaceutical manufacturers and their distributors, and they would pursue flexibility on procurement of pharmaceutical products based on local business needs. • The Group and Sichuan JND have reached consensus on an exhausted list of existing chain pharmacy customers maintained by each of them to minimize potential competition, pursuant to which the Group will only sell to small- and medium-size chain pharmacy customers (less than 500 stores) set out on the list as well as to the individual pharmacies, and Sichuan JND and its close associates will only sell to large chain pharmacies (500 stores and above) set out on the list, so that the definitive scope of pharmacy customers maintained by each of them could be confirmed. The Group and Sichuan JND would conduct an annual review on the list to reassess whether any adjustment of the respective scope is required. For instance, if the number of stores of a chain pharmacy previously categorized as the Group's customer reached 500 or more at the time of such annual review, it would then be categorized as a customer of the Excluded Business, and vice versa. Nevertheless, before the reassessment of such annual review, the original scope of the chain pharmacy customers of the Group and the Excluded Business shown on the list shall remain unchanged.

(ii) The sales channels and operational processes under the business conducted by the Company are materially differentiated from those of Sichuan JND. Such distinctions are primarily driven by the inherently distinct customer bases served by the Company and Sichuan JND, which in turn necessitate tailored sales models to address the unique demands of their respective clientele.

As illustrated above, the Company's core customer segment comprises primarily village health stations, outpatient departments, clinics, small-to-medium chain pharmacies and individual pharmacies. These customers typically require smaller-order quantities with higher frequency to align with their localized demand patterns. To effectively serve their specific needs and avoid inventory risk, the Company delivers pharmaceutical products through our APPs — an approach designed to provide enhanced flexibility and streamlined service delivery, thereby meeting the localized operational needs of village health stations, outpatient departments, clinics, small-to-medium chain pharmacies and individual pharmacies with optimized convenience and efficiency. The revenue from direct sales to customers of the Company accounted for 96.1%, 87.3% and 77.6% of its total revenue in 2023, 2024 and 2025.

In contrast, the customer base of Sichuan JND consists predominantly of hospitals, community healthcare centers, township healthcare centers, and large chain pharmacies. These entities typically function under structured procurement systems governed by standardized centralized purchasing processes. Furthermore, their operational scale demands a consistent supply of pharmaceutical products in larger volumes to cater to their broad patient and customer bases. Consequently, Sichuan JND and its close associates have adopted a sales model explicitly tailored to these requirements by directly entering into sales contracts with its customers to fulfill bulk purchase orders and/or utilizes a distributorship model to facilitate pharmaceutical product distribution. This dual approach is strategically designed to align with the centralized procurement protocols and high-volume supply needs of hospitals, community healthcare centers, township healthcare centers, and large chain pharmacies.

Given these fundamental differences in customer profiles, procurement requirements, and operational procedures, the Company and Sichuan JND operate within distinctly segmented niches of the pharmaceutical product supply chain. The clear delineation in their respective business models — rooted in divergent customer needs and service delivery mechanisms — demonstrates that there is clear business delineation between the business operated by our Group and that by Sichuan JND;

(iii) to ensure continued business delineation between our Group and the Controlling Shareholders, each of Sichuan JND, Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei has given the Non-Competition Undertaking in favour of our Company. For further details, please see "— Non-Competition Undertakings" below; and

(iv) we have put in place sufficient measures to avoid potential conflicts of interest between our Group and our Controlling Shareholders Group, as set out in the section headed "— Corporate Governance Measures" below.

In light of the above, our Directors are of the view that there is a clear delineation between our business and the Excluded Business, and that there would be no substantive competition and the risk of potential conflicts of interest is low.

Save as disclosed above, as of the Latest Practicable Date, none of the members of our Controlling Shareholders Group or its close associates was interested in any business which competes, or is likely to compete, directly or indirectly, with the business of our Group which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKINGS

To ensure that there will be no competition between us and other business activities and/or interests of our Controlling Shareholders, each of Sichuan JND, Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei (collectively, the "**Covenantors**") has given the Non-Competition Undertaking in favor of our Company.

Pursuant to the Non-Competition Undertakings, each of the Covenantors undertook that, subject to certain exceptions and except as disclosed in this document, each of the Covenantors shall not, and shall procure that their respective associates will not, engage in any business which, directly or indirectly, competes with our Group's business in the sales of pharmaceutical products to our customers, including village health stations, outpatient departments, clinics, small-to-medium chain pharmacies and individual pharmacies as described in this document (the "**Restrained Business**") within the period during which (a) the H Shares of our Company are [**REDACTED**] on the Stock Exchange (including the circumstances under which [**REDACTED**] of our H Shares is suspended in accordance with the Listing Rules), and (b) the Covenantors and their respective close associates, individually or directly and/or indirectly in aggregation, hold no less than 30% of the voting rights at the general meeting of our Company or control the exercise of no less than 30% voting rights at the general meeting of our Company (the "**Restrained Period**").

The above undertakings do not preclude the holding by any of the Covenantors of interests (the "**Relevant Interest**") in any company engaging in any Restrained Business (the "**Subject Company**") where the Relevant Interest is less than 10% of the issued shares of the Subject Company which is or whose holding company is listed on any stock exchange.

Option for New Business Opportunities

Each of the Covenantors has undertaken that within the Restrained Period, if the Covenantors and their respective associates become aware of, have received notice about, are recommended or provided with a new business opportunity which will directly or indirectly compete with the Restrained Business, including but not limited to the opportunities which are the same as or similar to the Restrained Business (the "**New Business Opportunities**"), the Covenantors shall, and shall procure that their respective associates will refer or recommend the New Business Opportunities to our Group subject to relevant laws, requirements or contractual arrangements with third parties in accordance with the following:

(i) the Covenantors shall provide our Group with a written notification which includes all reasonable and necessary information known by the Covenantors and/or their respective associates (including but not limited to the nature of the New Business Opportunities and necessary information relating to the cost of the relevant investment or acquisition) for our Group to consider (a) whether the New Business Opportunities constitute competition or potential competition to the Restrained Business; and (b) whether engaging in such New Business Opportunities would be in the best interests of our Group (the "**Offer Notice**"); and

(ii) our Group shall respond to the Covenantors and/or their associates within 30 days upon receipt of the Offer Notice. If our Group fails to reply to the Covenantors and/or their associates within the above period, it shall be deemed to have abandoned the New Business Opportunities. If our Group determines to take up the New Business Opportunities, the Covenantors and/or their respective associates would be obligated to offer such New Business Opportunities to our Group.

Pre-emptive Right

Each of the Covenantors has undertaken that within the Restrained Period, if the Covenantors and/or their respective associates intend to transfer, sell, lease or license concession to a third party any businesses engaged in by the Covenantors and/or their respective associates which competes or potentially competes with the Restrained Business or any other businesses which would cause direct or indirect competition with the Restrained Business, the Covenantors shall offer our Group such opportunity with a pre-emptive right on equal terms subject to the relevant laws, regulations and contractual arrangements with third parties in accordance with the following:

(i) the Covenantors and/or their respective associates shall provide our Group with written notice no later than the time of any such disposal (the "**Disposal Notice**"). For the avoidance of doubt, the Covenantors and/or their respective associates are entitled to provide information and/or a Disposal Notice relating to such disposal to any third parties at the same time as or after providing the Disposal Notice to our Group;

(ii) our Group shall reply to the Covenantors and/or their respective associates in writing by whichever is the later of (a) the 30th day after receipt of the Disposal Notice and (b) the expiration of the period offered to third parties for them to reply, before exercising the pre-emptive right;

(iii) if our Group intends to take up such pre-emptive right, the terms shall be determined with reference to fair market price; and

(iv) the Covenantors and/or their respective associates shall not dispose of such businesses and interests to any third parties unless (a) our Group declines to purchase such businesses and interests in writing; (b) the notice of exercising such pre-emptive right has not been received by the Covenantors and/or their respective associates from our Group by whichever is the later of (A) the 30th day after receipt of the Disposal Notice and (B) the expiration of the period offered to third parties for them to reply; or (c) our Group fails to offer the Covenantors and/or their respective associates the same or more favorable terms of acquisition than those offered by any third parties to the Covenantors and/or their respective associates. For the avoidance of doubt, the terms of disposal offered by the Covenantors and/or their respective associates to any third parties shall not be more favorable than those to be offered to our Group.

Option for Purchase

Within the Restrained Period, on the condition that no relevant laws and regulations are breached and agreements with third parties are complied with, our Group is entitled to acquire any businesses operated by the Covenantors and/or their respective associates which compete or potentially compete with the Restrained Business or to have the option to acquire any businesses or any interests engaged by the Covenantors and/or their respective associates through the New Business Opportunities (the "**Option for Purchase**"). Our Group is entitled to exercise the Option for Purchase at any time, and the Covenantors and/or their respective associates shall offer the Option for Purchase to our Group based on the conditions below:

(i) the commercial terms of the proposed acquisition shall be formed solely by a committee consisting of our independent non-executive Directors after consulting the views of independent experts. Furthermore, such commercial terms shall be based on negotiation between the parties in line with the normal commercial practice of our Group, and which is fair, reasonable and in compliance with the interests of our Group as a whole, as in accordance with the negotiations with the Covenantors and/or their respective associates.

(ii) however, if a third party has the pre-emptive right in accordance with applicable laws and regulations and/or a prior legally binding document (including, but not limited to, articles of association and/or shareholders' agreements), our Group's Option for Purchase shall be subject to such third-party rights. In such a case, the Covenantors and/or their respective associates will use their best efforts to persuade the third party to waive its pre-emptive rights.

Compliance in respect of the Non-Competition Undertakings

Each of the Covenantors has further undertaken that, subject to relevant laws, regulations or contractual, arrangements with third parties:

(i) upon the request of our Group, he/she/it shall provide, and shall procure that his/her/its associates will provide, any necessary information for the implementation of the Non-Competition Undertaking, including but not limited to providing information relating to the customers of Sichuan JND who are chain pharmacies so as to ensure that no chain pharmacies with less than 500 stores in the PRC (being the target customers of our Group) falls within the clientele of Sichuan JND, and promptly informing our Company should there be any change in the information previously provided;

(ii) he/she/it shall allow the authorized representatives or auditors of our Group to have reasonable access to the financial and corporate information necessary to his/her/its transactions with third parties, which would assist with the judgment of our Group in respect of whether he/she/it and/or his/her/its respective associates have complied with the Non-Competition Undertaking; and

(iii) he/she/it shall ensure that, within 10 days of receipt of the written request from our Group, necessary confirmation shall be made in writing to our Group as to the performance of the Non-Competition Undertaking by he/she/it and his/her/its associates, and the consent of the relevant Covenantor and his/her/its associates to allow such confirmation to be included in our annual reports.

Corporate measures in relation to the implementation of the Non-Competition Undertakings

Our Company will also adopt the following procedures to ensure that the undertakings under the Non-Competition Undertakings are observed:

(i) ***Review by independent non-executive Directors*** – our independent non-executive Directors will be responsible for reviewing compliance with the Non-Competition Undertakings, including the options for New Business Opportunities, pre-emptive right and Option for Purchase granted by the Covenantors, and for deciding whether or not to take up business opportunities as referred to in the Offer Notice, Disposal Notice and/or the Option for Purchase. In deciding whether to take up such business opportunities, our independent non-executive Directors will consider various factors, including the due diligence to be conducted towards the target businesses, the purchase prices, and the benefits that it will bring to our Group, as well as whether we have adequate management and resources to manage and operate the business operations of such businesses.

(ii) ***Increased transparency*** – each of the Covenantors has undertaken that he/she/it will provide all information necessary for the exercise of the options for New Business Opportunities, pre-emptive right and Option for Purchase. We will provide our independent non-executive Directors with the Offer Notice or Disposal Notice (as the case may be) on the new business opportunity or pre-emptive rights referred to us by the Covenantors within seven days of receipt, and our independent non-executive Directors may propose the exercise of the Option for Purchase at any time.

(iii) ***Public disclosure of decisions*** – our Company will disclose decisions on matters reviewed by our independent non-executive Directors related to the exercise or non-exercise of options for New Business Opportunities, pre-emptive rights and Option for Purchase either in our annual reports, or by way of announcements to the public. Our independent non-executive Directors will report in our annual reports (a) their findings on the compliance by the Covenantors with the Non-Competition Undertakings and (b) any decision made pursuant to the Options for New Business Opportunities, pre-emptive right and Option for Purchase granted to the Company, and the basis of such decision.

Our Directors are of the view that our independent non-executive Directors have sufficient experience in assessing whether or not to take up New Business Opportunities or exercise our pre-emptive right. In any event, our independent non-executive Directors may appoint a financial advisor or professional expert to provide advice, at the cost of the Company, in connection with the exercise or non-exercise of the option or pre-emptive rights under the Non-Competition Undertakings. Conflicted Director(s), if any, will abstain from relevant meetings.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from the Controlling Shareholders and their close associates after the [**REDACTED**], taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board consists of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. Save as disclosed in this document, none of our executive Directors or members of our senior management team holds any position in our Controlling Shareholders or their respective close associates.

Our Directors consider that we are able to carry on our business independently from the Controlling Shareholders from a management perspective for the following reasons:

(a) 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. See "Directors and Senior Management" for details of the industry experience of our senior management team;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review; and

(d) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. See "— Corporate Governance" below for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [**REDACTED**].

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, IT, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

We entered into a pharmaceuticals and other healthcare products procurement framework agreement with Sichuan JND on [●], pursuant to which our Group may from time to time procure pharmaceuticals and other healthcare products from Sichuan JND and its associates for an initial term commencing on the [**REDACTED**] until December 31, 2028. In addition, we entered into a trademark licensing framework agreement with Sichuan JND on [●], pursuant to which Sichuan JND and its associates will grant to our Company licenses for the use of the Licensed Trademarks registered in the PRC for our sales of pharmaceuticals on a royalty-free basis for an initial term of twenty years commencing from the [**REDACTED**]. Such continuing connected transactions are and will be conducted on an arm's length basis and on normal commercial terms in the ordinary and usual course of business of our Company. In addition, Sichuan Medical Trade served as the Company's customer and supplier during the Track Record Period, and the revenue from Sichuan Medical Trade accounted for 0.3%, 0.0% and 0.9% during the Track Record Period, and the purchase amount from Sichuan Medical Trade accounted for 0.6%, 0.4% and 0.2% of our total purchase amount. See "Business — Overlapping of Major Customers and Suppliers". The terms with these customers and/or suppliers were generally comparable to those with other independent suppliers and customers. See the section headed "Connected Transactions" for details of the above transactions and the historical amounts under such transactions during the Track Record Period.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their close associates. We do not expect to rely on the Controlling Shareholders and their close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the [**REDACTED**] from the [**REDACTED**].

In addition, we are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, there were no outstanding loans or guarantee provided by or granted to the Controlling Shareholders or their respective close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently from, and do not place undue reliance on the Controlling Shareholders or their respective close associates after the [**REDACTED**].

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance for listed issuers.

Our Directors recognize the importance of implementing good corporate governance and effective internal control measures in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders and their respective close associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Group enters into connected transactions with the Controlling Shareholders or any of their respective associates, we will comply with the applicable Listing Rules;

(d) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See "Directors and Senior Management" for details of the independent non-executive Directors;

(e) where our Directors reasonably request the advice of independent professionals or advisors, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals or advisors will be made at our Company's expenses; and

(f) we have appointed Alliance Capital Partners Limited as our Compliance Advisor to provide us with advice and guidance in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].