OVERVIEW

As of the Latest Practicable Date, Shenzhen Keyi and Mr. Deng directly owned 49.50% and 0.88% of the total issued share capital of our Company, representing 50.35% and 0.89% of the voting rights at general meetings of our Company (excluding 3,394,997 A Shares held by our Company as treasury Shares), respectively. Shenzhen Keyi is wholly owned by Genzon Investment, which is owned as to 99.01% by Mr. Deng and 0.99% by Zhengzhong Yisheng, which in turn is owned as to 99% by Mr. Deng and 1% by Ms. Wen, his spouse.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our 2024 Restricted Share Incentive Plan), Mr. Deng and Ms. Wen will collectively be entitled to control (directly and/or indirectly through Zhengzhong Yisheng, Genzon Investment and Shenzhen Keyi) the exercise of [**REDACTED**]% voting rights at general meetings of our Company. Upon [**REDACTED**], each of Mr. Deng, Ms. Wen, Zhengzhong Yisheng, Genzon Investment and Shenzhen Keyi will constitute a group of our Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates upon [**REDACTED**].

Management Independence

Upon [**REDACTED**], our Board will comprise eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. Although Mr. Deng is an executive Director and also a Controlling Shareholder, our management and operational decisions are made collectively by our executive Directors and senior management, most of whom have served our Group for a long time and all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. The balance of power and authority is ensured by the operation of the senior management and our Board. See "Directors and Senior Management" for further details.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act in good faith for the benefit of our Company as a whole, and avoid conflicts between his/her personal interests and the interests of our Company. Further, we believe our independent non-executive Directors bring independent judgment to the decision-making process of our Board. In the event that a Director or his/her associate has a material interest in a contract or arrangement or any other proposal to be entered into by our Group, the interested Director will abstain from voting on the relevant board resolution and not be counted in the quorum of the relevant Board meetings. See "— Corporate Governance Measures" for further details.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management (other than Mr. Deng) are able to perform their managerial role in our Group independently of our Controlling Shareholders and their respective close associates after [**REDACTED**].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after [**REDACTED**], we have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Company (together with our subsidiaries) holds or enjoys the benefit of all licenses, qualifications, intellectual properties and permits necessary to carry on our business, and has sufficient capital, equipment, facilities, access to customers and suppliers, and employees to operate our business independently of our Controlling Shareholders and their respective close associates. We have also established a set of internal control measures and adopted corporate governance practices to facilitate the effective operation of our business.

Apart from the transactions set out in "Connected Transactions," our Directors do not expect that there will be any other significant transactions between our Group and our Controlling Shareholders and their respective close associates upon [**REDACTED**].

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholders and their respective close associates after [**REDACTED**].

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We have our own accounting and finance department with a team of independent financial staff responsible for discharging the treasury function, and an Audit Committee comprising solely of non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

Our Directors confirm that all subsisting loans, guarantees or pledges provided by our Controlling Shareholders or their respective close associates to our Group will be fully repaid or released before [**REDACTED**].

We do not rely on our Controlling Shareholders or their close associates to provide financial assistance to our Group. We have independent access to third-party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates.

Based on the above, our Directors believe that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after [**REDACTED**].

NO COMPETITION WITH OUR CONTROLLING SHAREHOLDERS

Delineation of Business

We are an innovative biopharmaceutical company with international reach, specializing in the R&D, manufacturing and commercialization of recombinant protein, antibodies and targeted-delivery therapies.

Each of Zhengzhong Yisheng, Genzon Investment and Shenzhen Keyi are investment holding companies and have no substantive business operations. Apart from the business of our Company, Mr. Deng and Ms. Wen, either personally or through Zhengzhong Yisheng, Genzon Investment or Shenzhen Keyi, are also interested in companies which engage in, among others, industrial investments, leasing of self-owned properties and property management services, metal sheet manufacturing, and new materials businesses, which are separate and clearly delineated from the principal business of our Group.

Each of our Controlling Shareholders confirms that, as of the Latest Practicable Date, he/she/it did not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Non-Competition Undertaking

In connected with our A Share listing, each of Shenzhen Keyi and Mr. Deng provided non-competition undertaking to our Company on March 31, 2020, pursuant to which each of Shenzhen Keyi and Mr. Deng (the "**Covenantor(s)**") has undertaken that, so long as the respective Covenantor remains a controlling shareholder or an actual controller of our Company:

(a) each of the Covenantors, together with its/his spouse, parents, children and any other enterprises directly or indirectly controlled by it/him or by any of the foregoing persons, has not, whether directly or indirectly, engaged in any business which competes or is likely to compete with the business of our Company, nor does any of them hold any Shares, equity interests or other rights in any enterprise which competes with our Company;

(b) it/he will not, whether directly or indirectly and in any form, engage in any business or activity which constitutes or may constitute competition with the business and operations of our Company, and will not provide, in any manner, funding, business, technical or other assistance to any enterprise that competes with our Company;

(c) it/he will procure that any enterprise directly or indirectly controlled by it/him or his spouse, parents or children will not, in the future, engage in, participate in or carry out any activity that competes or may compete with the business or operations of our Company, and will not provide, in any manner, funding, business, technical or other assistance to any enterprise that competes with our Company;

(d) in the event that our Company further expands its principal business scope, each of the Covenantors and the enterprises directly or indirectly controlled by it/him will not compete with the expanded business of our Company. If any competition with the expanded business of our Company arises, the relevant Covenantors and/or the enterprises directly or indirectly controlled by it/him will resolve such competition by ceasing the operation of the competing business, injecting such business into our Company, or transferring such business to independent third parties with no connection to the Controlling Shareholders; and

(e) in the event of any breach of the above undertakings, the Covenantors shall be liable for any loss or damage thereby caused to our Company.

Corporate Governance Measures

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.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

(a) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive 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 possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. See "Directors and Senior Management — Directors — Independent Non-executive Directors";

(d) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our interim and annual report or by way of announcements; and

(e) we have appointed Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.