OVERVIEW

As of the Latest Practicable Date, LAV USD Entities, controlled by Dr. SHI Yi, was interested in approximately 22.93% of the total number of issued Shares.

Immediately after completion of the [**REDACTED**] (subject to the Assumptions), LAV USD Entities, controlled by Dr. SHI Yi, will be interested in approximately [**REDACTED**]% of the total number of issued Shares. Based on the above, prior to and upon [**REDACTED**], Dr. SHI Yi and LAV USD Entities are and will continue to be our Single Largest Group of Shareholders.

LAV USD consists of four investment arms within LAV USD Group, operated under Lilly Asia Ventures, a prominent life science investment brand in Asia. LAV USD Group invested in over one hundred portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services. For more information on our Single Largest Group of Shareholders and their shareholding in our Company, please see the sections headed "History and Corporate Structure" and "Substantial Shareholders."

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently from our Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**].

Management Independence

Our Board consists of six Directors, comprising one executive Director, two non-executive Directors and three independent non-executive Directors. We adopt a centralized management system with a core management team overseeing the operations of our Company and our subsidiaries, and all strategic planning and material decision-making of the Group are regularly reported to the Board. Our core management team is led by Dr. JI Darren Xiaohui, our chairman of the Board and chief executive officer. For details of our Directors and senior management members, please refer to the section headed "Directors and Senior Management" in this document.

Our Directors consider that our Board and senior management will function independently from our Single Largest Group of Shareholders and/or their respective close associates for the following reasons:

(a) Our core management team is independent from our Single Largest Group of Shareholders. Although Dr. JI, our chairman of the Board and chief executive officer, previously served as a venture partner with Lilly Asia Ventures from January 2017 to December 2019, primarily responsible for providing scoping and evaluating advisory services for potential investment opportunities in biotech companies in China and the United States, he left Lilly Asia Ventures in December 2019 and has not held any positions with Lilly Asia Ventures since his departure. Dr. JI had not been involved in the daily management or operations within Lilly Asia Ventures, nor held any equity or partnership interests in any entities within Lilly Asia Ventures during the Track Record Period and as of the Latest Practicable Date;

(b) While Dr. SHI Yi, one of our Single Largest Group of Shareholders, was our Director from October 20, 2017 to June 10, 2024, he mainly served in non-executive capacity and was not involved in day-to-day management of our Company but was responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group during his tenure. Dr. SHI Yi's resignation is due to the realignment of the Board structure to better meet the evolving needs and achieve good corporate governance upon the [**REDACTED**]. Taking into account that Dr. SHI Yi had primarily served in a non-executive and strategic advisory capacity and was not involved in the day-to-day management of the Group, the Board considered that such functions could also be appropriately assumed by independent non-executive Directors following the [**REDACTED**]. In addition, having regard to the increased time commitment and responsibilities expected from directors of a [**REDACTED**] company as well as Dr. SHI Yi's other professional engagements, Dr. SHI Yi and the Company mutually agreed that it would be appropriate for him to step down from the Board in connection with the preparation for the [**REDACTED**]. Dr. SHI Yi confirmed that he had no disagreement with the Board prior to his resignation on June 10, 2024. Prior to founding Lilly Asia Ventures in 2008, Dr. SHI Yi worked at the U.S.-based Eli Lilly and Company, whose shares are listed on the New York Stock Exchange (ticker symbol: LLY) in business development licensing and corporate ventures. Dr. SHI Yi holds a Ph.D. in biochemistry and an MBA, both from Duke University in the United States. He received his bachelor's degree in biology from University of Science and Technology of China (中國科學技術大學) in Anhui, China;

(c) Save for Dr. XU Hansen (徐漢森) ("**Dr. XU**"), there is no overlap of directorship or senior management members between our Group and our Single Largest Group of Shareholders (and their respective close associates). Dr. XU is our non-executive Director and mainly responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group. Dr. XU joined Lilly Asia Ventures as an investment manager in June 2021 and is currently a vice president. There, Dr. XU is chiefly responsible for scoping and evaluating investment opportunities in biotech companies in China and the U.S. As of the Latest Practicable Date, Dr. XU did not hold any shareholding interest in our Company. Despite LAV USD having nominated Dr. XU as our non-executive Director, our core management team, comprising one executive Director and four senior management members (other than the executive Director), is actively involved in our operations and has been, and continues to be, responsible for key operational and business-related decisions of the Group. For example, Dr. JI Darren Xiaohui regularly leverages his industry knowledge and management experience to offer strategic advice that facilitates our business development and expansion. In addition, our Board will include four other Directors (including one non-executive Director and three independent non-executive Directors) who will regularly offer their insight and have a voice in our decision-making upon [**REDACTED**];

(d) each Director is aware of his/her fiduciary duties as a Director, which require that he/she acts for the benefit and in the interest of our Company and all of our Shareholders as a whole, and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(e) our Directors believe that our Board has a balanced composition of executive, non-executive and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors (i) account for at least one-third of the Board, (ii) do not and will not take up any position in our Single Largest Group of Shareholders and/or their respective close associates, and (iii) together possess the requisite industry experience and qualifications for their views to carry weight. Our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole;

(f) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws, and no single Director is able to make any decisions unless authorized by the Board; and

(g) our Articles of Association require a Director to declare his/her interest in any contract or arrangement in which he/she has an interest and he/she is not entitled to vote on (nor be counted in the quorum in relation to) any resolution of the Board approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest, except in certain prescribed circumstances, details of which are set out in "Summary of the Constitution of Our Company and Cayman Islands Company Law" in Appendix III to this document.

Operational Independence

Our operations remain independent from our Single Largest Group of Shareholders and/or their respective close associates for the following reasons:

(a) our Group has sufficient facilities, equipment, technology and human resources to operate independently, and holds the licenses and qualifications necessary for our business independently from our Single Largest Group of Shareholders or their close associates;

(b) 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 Group of Shareholders;

(c) our Group has independent access to, among others, customers, suppliers, experts and other resources required for our business. We can exercise independent rights to make and implement our operational decisions without regard to our Single Largest Group of Shareholders and/or their respective close associates;

(d) we maintain a set of internal control procedures to facilitate the effective operation of our business;

(e) we have adopted a set of corporate governance measures pursuant to the Listing Rules and other applicable laws and regulations; and

(f) we did not conduct any related party transactions with our Single Largest Group of Shareholders during the Track Record Period.

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 are financially independent of our Single Largest Group of Shareholders and/or their respective close associates. We have sufficient capital and banking facilities to operate our business independently, and have adequate resources to support our daily operations. We have an independent internal control and accounting system and make financial decisions according to our business needs. Our source of funding is independent from our Single Largest Group of Shareholders and/or their respective close associates.

As of the Latest Practicable Date, there were no loans, advances and balances due to and from and guarantees provided by our Single Largest Group of Shareholders and/or their respective close associates. Further, there is no security over assets and guarantees provided by our Single Largest Group of Shareholders and/or their respective close associates in relation to loans made by our Group. As of the Latest Practicable Date, our Group did not intend to obtain any borrowing, guarantees, pledges and mortgages from our Single Largest Group of Shareholders and/or their respective close associates. We are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Group of Shareholders and their respective close associates.

Our Directors believe that, upon [**REDACTED**], our Group will be able to obtain further financing, if necessary, upon market terms and conditions without relying on financial assistance or credit support from our Single Largest Group of Shareholders and/or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests after the [**REDACTED**]. We have adopted or will adopt the following measures upon [**REDACTED**] to safeguard good corporate governance standards and to avoid potential conflict of interest between our Group and our Single Largest Group of Shareholders and/or their respective close associates:

To protect Shareholders' interests and to avoid potential conflicts of interest with our Single Largest Group of Shareholders or their close associates, we will adopt the following corporate governance measures upon [**REDACTED**]:

(a) if our Single Largest Group of Shareholders or their close associates have a material interest in a proposed transaction, they will not vote on the relevant resolutions at Shareholders' meetings and will not be counted in the quorum;

(b) we have established internal control mechanisms to identify connected transactions and will comply with the Listing Rules for any such transactions with our Single Largest Group of Shareholders or their close associates;

(c) our independent non-executive Directors will review connected transactions annually and publicly disclose that such transactions are conducted in our ordinary and usual course of business, on normal commercial terms or better, and are fair, reasonable, and in the interests of our Shareholders as a whole. They may also seek independent professional advice at our Company's expense to protect minority Shareholders;

(d) we have appointed First Shanghai Capital Limited as our compliance adviser under Rule 3A.19 of the Listing Rules to advise on Listing Rules compliance and corporate governance;

(e) we have established audit, remuneration, and nomination committees in compliance with the Listing Rules and the Corporate Governance Code. Independent non-executive Directors form the majority of our audit committee and act as its chairman;

(f) under our Articles of Association, Directors must declare their interests and abstain from voting on any Board resolution approving any matter in which they or their close associates have a material interest; and

(g) our audit committee oversees a confidential whistleblowing policy for stakeholders to report concerns about management practices or conflicts of interest.

Our Directors believe these measures will effectively manage conflicts of interest with our Single Largest Group of Shareholders or their close associates and protect minority Shareholders after [**REDACTED**].