OVERVIEW

As of the Latest Practicable Date, our Controlling Shareholders comprised Mr. CHEN and Aier Investment[1]. The Company was owned as to approximately 34.34% by Aier Investment, which was in turn held as to 79.99% by Mr. CHEN, as of the Latest Practicable Date[2]. In addition, Mr. CHEN directly held approximately 15.48% of the total issued Shares of our Company. Aier Investment and Mr. CHEN collectively held approximately [49.82]% of the total issued Shares of our Company and controlled the voting rights attaching to an aggregate of approximately [49.99]% of the total issued Shares of our Company (excluding the treasury Shares).

Insofar as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Controlling Shareholders will continue to hold [**REDACTED**]% of the total issued Shares of our Company and control the voting rights attaching to approximately [**REDACTED**]% of the total issued Shares of our Company in aggregate (excluding the treasury Shares). Under PRC law, treasury shares do not carry voting rights. Accordingly, the voting rights attached to the treasury shares repurchased by our Company on the A-share market are excluded when calculating the voting rights of the Controlling Shareholders. Therefore, Aier Investment and Mr. CHEN will constitute and remain as the Controlling Shareholders of our Company upon completion of the [**REDACTED**][1]. For the shareholding and corporate structure of our Group, see "History and Corporate Structure."

Mr. CHEN is our founder, the chairman of our Board and an executive Director of our Company. For further background of Mr. CHEN, see "Directors and Senior Management".

NON-COMPETITION UNDERTAKINGS

In connection with the A-Share Listing, each of Aier Investment and Mr. CHEN provided a non-compete undertaking (the "**Undertaking**") to our Company on September 30, 2009, pursuant to which he/it undertakes, among others, that:

(a) he/it and the entities directly or indirectly controlled by him/it have not directly or indirectly engaged in any business that competes with the Group;

(b) from the date of signing the Undertaking, he/it and the entities directly or indirectly controlled by him/it will not directly or indirectly engage or participate in any business in the same industry that competes with the Group, either within or outside the PRC;

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(1) As of the Latest Practicable Date, Aier Investment has been owned as to 79.99% and 20.01% by Mr. CHEN and Mr. LI Li, respectively. Despite the fact that the interest of Mr. LI Li, alongside Mr. CHEN's, is held through Aier Investment, the Company does not consider Mr. LI Li as one of the Controlling Shareholders pursuant to the presumption set out in Chapter 1.1C of the Guide for New Listing Applicants based on the following reasons:

(a) Aier Investment is not a special purpose vehicle established for the sole purpose of investing in the Company. Since its incorporation, Aier Investment has developed a diversified investment portfolio encompassing interests in various businesses and asset classes beyond its shareholding in the Company, including but not limited to medical devices distribution, venture capital investment, pet healthcare services and property management. The breadth and diversity of Aier Investment's investment portfolio, together with the fact that it was not established in connection with or for the purpose of the Company's Listing, demonstrates that its establishment and continued existence serve broader commercial and investment objectives independent of, and extending well beyond, its investment in the Company;

(b) Mr. CHEN is the sole director of Aier Investment and has full control over the management and business decisions of Aier Investment. Mr. LI Li is not involved in the day-to-day management and decision making of Aier Investment;

(c) Mr. LI Li holds only a 20.01% minority interest in Aier Investment and his investment in Aier Investment is merely of a financial nature;

(d) There has not been in existence any formal or informal arrangement or agreement between Mr. CHEN and Mr. LI Li on the management of the Group and the exercise of their voting rights on shareholders' resolutions involving the management of the Group or their rights as shareholders; and

(e) There has not been in existence any formal or informal acting-in-concert arrangement or agreement between Mr. CHEN and Mr. LI Li.

(2) As disclosed in the announcement of the Company dated May 18, 2026 published on the Shenzhen Stock Exchange, the Company proposed to repurchase and cancel 25,831,936 restricted A Shares granted but not yet vested under the 2021 Restricted Share Incentive Scheme. Such repurchase and cancellation is expected to be completed approximately 45 days after the date of the announcement, which is expected to take place after the Latest Practicable Date and prior to the [**REDACTED**].

(c) he/it will, by way of authorizing relevant personnel (including without limitation the directors and managers of the entities) of such entities, ensure that the entities directly or indirectly controlled by him/it comply with the obligations under the Undertaking;

(d) from the date of signing the Undertaking, should the Group expand its scope business and products, he/it and the entities controlled by him/it will not compete with the Group in such expanded business or products. If any existing business under his/its control becomes competing business due to such expansion, he/it shall withdraw from the competition by way of: (i) ceasing production of the competing products or operation of the competing business; (ii) injecting the competing business into the Group; or (iii) transferring the competing business to an unrelated third party; and

(e) the Undertaking shall become effective and binding upon signing and remain valid for so long as he/it remains as the controlling shareholder, actual controller of the Company or a party acting in concert with the actual controller. He/it will be liable for any losses incurred by the Group due to any breach of the Undertaking.

Mr. CHEN, as an individual, also undertakes in the Undertaking that, he or his close relatives will not seek any business opportunity belonging to the Group, nor will he engage in, for himself or on behalf of any third party, any business similar to those of the Group. If any business opportunity obtained by him or his close relatives from a third party competes or is likely to compete with the Group's business, he shall promptly notify the Group and facilitate the transfer of such opportunity to the Group or adopt any other regulatory-compliant solution to eliminate his actual management or operational rights over the relevant assets, equity and/or business, to avoid competing with the Group.

NO COMPETITION

Aier Investment is a company incorporated in the PRC and is primarily engaged in medical devices distribution venture capital investment, pet healthcare services and property management. Aier Investment primarily invests in biotechnology and pharmaceutical research and development companies, hospitals which offer non-ophthalmic medical services, venture capital funds, as well as property management, none of which is or will be engaged in the business of provision of ophthalmic medical services.

Each of our Controlling Shareholders has confirmed that he/it does not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board consists of seven Directors, comprising four executive Directors and three independent non-executive Directors, and we also have eleven senior management members (of which two are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For more information, please see the section headed "Directors and Senior Management."

Mr. CHEN, one of our Controlling Shareholders, is the chairman of our Board and an executive Director. Notwithstanding the roles of Mr. CHEN in our Board and/or our senior management team, our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(a) our daily management and operations are carried out by the executive Directors and the 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;

(b) save for Mr. CHEN, our executive Directors and senior management members do not hold any role as an executive director or member of senior management in our Controlling Shareholders or any associates of our Controlling Shareholders. In addition, Mr. LI Li serves as a director in one of the associates of our Controlling Shareholders with non-executive nature and does not hold any executive or senior management position in such associate;

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

(d) we have three independent non-executive Directors, all of whom are independent from the Controlling Shareholders and have extensive experience in their respective areas of expertise. All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of our Board are made only after due consideration of independent and impartial opinions;

(e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) 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 shall abstain from voting at the relevant meeting and shall not be counted towards the quorum; and

(f) as an A-share listed company, we have adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shenzhen Stock Exchange to manage conflicts of interest, if any, between our Group and the Controlling Shareholders, which would support our independent management. For details, see "— Corporate Governance Measures."

Based on the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that the Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole. Our Board together with our senior management team, therefore, are able to perform the managerial role in our Group independently.

Operational Independence

We will continue to operate independently from our Controlling Shareholders after the [**REDACTED**]. Our Group holds all the relevant material intellectual property rights, licenses, permits, qualifications and approvals required for conducting our Group's business. Our Group has sufficient capital, medical services facilities, hospital operation platforms and employees to operate our business independently from our Controlling Shareholders and their respective close associates.

We also have independent access to our customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue, clinical and academic research activities, staffing or hospital operation and management activities. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as human resources, administration, finance and accounting, internal audit, clinical and academic research, medical services management, internal control, or company secretarial functions.

These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We also maintain a set of comprehensive internal control procedures and adopted corporate governance practices to facilitate the effective operation of our business.

Our Directors are of the view that our Group is operationally independent from our Controlling Shareholders and their respective close associates. In particular, our Group has established self-sufficient capabilities in research and development, procurement, administration, and day-to-day operations, and is not reliant on our Controlling Shareholders for its business operations, notwithstanding that certain continuing connected transactions have been entered into in the ordinary and usual course of business. The view is supported by the following factors.

Research and development

Our Group has established an integrated innovation platform comprising multiple research institutes, multiple postdoctoral research workstations and expert workstations, multiple research centers, five bases, one laboratory and two platforms, supported by more than 16,000 square meters of R&D space in our headquarter and research equipment with a total investment of tens of millions of RMB. Given the breadth and depth of our in-house R&D infrastructure and the expertise of our experienced and independent R&D team, our Group possesses the capabilities necessary to conduct research and development activities on a fully independent basis.

Procurement

In the ordinary and usual course of business during the Track Record Period, our Group procured certain consumables and equipment from Aier Investment and its subsidiaries from time to time, as set out in "Connected Transactions — Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions — Consumables and Equipment Procurement Framework Agreement" in this document. We expect to continue procuring such consumables and equipment from the Aier Investment Group following the [**REDACTED**], on an arm's length basis and on normal commercial terms. These transactions will constitute continuing connected transactions of our Company upon completion of the [**REDACTED**].

Our Group is of the view that such procurement arrangements with the Aier Investment Group do not and will not compromise our ability to operate independently from Aier Investment. Notwithstanding the commercial benefits of such transactions as described in "Connected Transactions" in this document, the consumables and equipment are widely available from other market participants, and their supply is not exclusive to the Aier Investment Group. Moreover, in the unlikely event that the Aier Investment Group discontinue the supply of relevant products, we believe we could readily source alternative suppliers offering products and services with comparable commercial terms and qualities.

Our Group operates an independent procurement function that is separate from our Controlling Shareholders and their respective close associates. Selection of suppliers is carried out autonomously in accordance with our internal supplier management policies and is based on objective criteria such as quality, pricing and delivery capability. All key procurement activities, including the solicitation of quotations, comparative evaluation of bids, and commercial negotiations, are managed directly by our procurement team. Procurement agreements with suppliers are also negotiated and executed independently by our procurement team based on specific operational requirements.

Administration

Our Group has assembled a dedicated full-time management team and supporting staff responsible for all aspects of administration and operations, functioning independently from our Controlling Shareholders. Core support functions, including accounting, administration, corporate secretarial, compliance, and human resource management, are and will continue to be performed by employees directly engaged by our Group, with clear separation from our Controlling Shareholders. Our Group has also implemented our own internal administrative and operational management systems for oversight of operational matters. As our Group carries out all key administrative functions without reliance on our Controlling Shareholders, we will maintain full administrative independence from our Controlling Shareholders.

As set out in "Connected Transactions — Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions — Property Management Services Framework Agreement" in this document, in the ordinary and usual course of business, our Group has entered into the Property Management Services Framework Agreement with Aier Investment and its subsidiaries for the provision of property management services. These services, which include maintenance, inspection, cleaning and management of common areas, are ancillary and logistical in nature. Such arrangements are entered into on normal commercial terms and on an arm's length basis, and are driven primarily by operational efficiency and cost considerations. They do not extend to the provision of management, financial, compliance or human resources decision-making functions.

Our Group is of the view that such arrangements do not and will not impair our ability to operate independently from our Controlling Shareholders. Property management services of this nature are readily obtainable from Independent Third Parties in the market, and Ailv Zhihui does not serve as the exclusive provider of such services to our Group. In the event that Ailv Zhihui ceases to provide such services, we believe that we would be able to engage alternative service providers on comparable commercial terms without material disruption to our operations. Accordingly, such arrangements do not have a material impact on our administrative independence.

Leasing properties from the Aier Investment Group

During the Track Record Period, our Group has been leasing certain properties from the Aier Investment Group for office use and business operations, and expects to continue leasing such properties following the completion of the [**REDACTED**] in order to avoid unnecessary relocation costs. As described in "Connected Transactions — One-off Connected Transactions — Property Leasing Agreements", our Group has entered into the Property Leasing Agreements with the Aier Investment Group to lease office premises of approximately 152,582.29 sq.m. in aggregate owned by the Aier Investment Group, for terms ranging from approximately three years to nine years, at agreed rental fees. The leased premises are utilized for office operations. These arrangements have been entered into on normal commercial terms and on an arm's length basis and are motivated principally by operational efficiency and cost considerations.

All core operations, management decisions and key business functions of our Group remain independently carried out and controlled by our Group. The leasing arrangements do not entail any delegation or transfer of our core business functions or decision-making authority to the Aier Investment Group. Furthermore, comparable properties are available from Independent Third Parties on similar commercial terms, and our Group is not materially reliant on the Aier Investment Group for the provision of such premises. The leased properties constitute only a small portion of our Group's total operational premises and are principally used for office and administrative purposes that are ancillary to our core business operations. Accordingly, our Directors are of the view that such leasing arrangements do not affect our operational independence.

Connected transactions with our Controlling Shareholders

The connected transactions set out in "Connected Transactions" in this document were and will be conducted in the ordinary and usual course of business of our Group, on an arm's length basis and on normal commercial terms or better. Furthermore, the risk of our Controlling Shareholders terminating these connected transactions is considered remote, as such termination would not serve the commercial interests of our Controlling Shareholders. In any event, should any such connected transactions be terminated or not renewed, our Group does not consider that this would have a material adverse effect on our business, given that comparable products and services can be obtained from Independent Third Parties in the market. For further details, see "Connected Transactions".

In light of the foregoing, our Directors believe that our Group is capable of operating independently from our Controlling Shareholders or any of their close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit, and internal control functions independent from our Controlling Shareholders and their close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. 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 of our Controlling Shareholders and their close associates.

As of the Latest Practicable Date, there was no outstanding loan, advance, due to or from, or pledge or guarantee provided by our Controlling Shareholders or their respective close associates. We do not expect to rely on our Controlling Shareholders and/or their close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [**REDACTED**] from the [**REDACTED**].

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules, and in particular, our Articles of Association provide that, 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 close associates have a material interest nor shall such Director be counted in the quorum present at the meeting in respect of the resolution considering the approval of such contract or arrangement or proposal. In addition, where a general meeting of our Shareholders is to be held for considering proposed transactions in which any of our Controlling Shareholders or their respective close associates has a material interest, the relevant Controlling Shareholders will abstain from voting on the relevant resolutions. The independent non-executive Directors who do not have material interest therein shall attend the relevant Board meeting;

(b) we have formulated and adopted policies and mechanisms in relation to (i) internal controls and decision-making procedures for related party transactions and connected transactions, (ii) the prevention of appropriation of funds by Controlling Shareholders, actual controllers and other related parties, (iii) provision of external guarantee, and (iv) internal audit. Upon the [**REDACTED**], if our Group enters into connected transactions with our Controlling Shareholders or any of their associates, our Group will comply with the applicable Listing Rules;

(c) we will keep a balanced composition of executive and independent non-executive Directors on the Board. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment. We also believe that our independent non-executive Directors are able to provide impartial opinions to safeguard the interests of our Shareholders as a whole;

(d) where our independent non-executive Directors request or are requested to review any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders, our Controlling Shareholders shall provide all information necessary for consideration and our independent non-executive Directors shall be provided with access to independent advisers, such as financial advisors at the expense of our Company; and

(e) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.