OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [**REDACTED**], our Company was owned as to approximately 10.47%, 9.35%, 7.48%, 7.15%, 6.46%, 5.61% and 0.10% by Renyang Biotechnology, Chengzhen Health, Jiarun Tongchuang, Jiarun Hechuang, Zhuhai Meijirui, Jiarun Xinchuang and Xinhui Runkang, respectively. Renxiang Biotechnology is the general partner of each of Renyang Biotechnology, Chengzhen Health, Jiarun Tongchuang, Jiarun Hechuang, Zhuhai Meijirui, Jiarun Xinchuang and Xinhui Runkang and Renxiang Biotechnology is held as to 99.99% by Ms. Cheong.

Each of Renyang Biotechnology, Chengzhen Health and Jiarun Tongchuang was owned as to 99% by China True Health Medical as their sole limited partner, and Jiarun Hechuang was owned as to 99.00% by Shuimu Medical Technology as its sole limited partner. Each of China True Health Medical and Shuimu Medical Technology was owned as to 96.67% by Ms. Cheong.

As such, Ms. Cheong, Renxiang Biotechnology, China True Health Medical, Shuimu Medical Technology, Renyang Biotechnology, Chengzhen Health, Jiarun Tongchuang, Jiarun Hechuang, Zhuhai Meijirui, Jiarun Xinchuang and Xinhui Runkang are considered to be a group of Controlling Shareholders, who collectively held 46.63% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Ms. Cheong, Renxiang Biotechnology, China True Health Medical, Shuimu Medical Technology, Renyang Biotechnology, Chengzhen Health, Jiarun Tongchuang, Jiarun Hechuang, Zhuhai Meijirui, Jiarun Xinchuang and Xinhui Runkang will collectively hold approximately [**REDACTED**]% of our total issued Shares. Accordingly, they will remain as a group of Controlling Shareholders upon [**REDACTED**].

Ms. Cheong is our executive Director, chairperson of our Board and general manager of our Company. For biographical details of Ms. Cheong, see "Directors and Senior Management—Directors".

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 after [**REDACTED**].

Management Independence

Our Board is composed of three executive Directors, one non-executive Director and three independent non-executive Directors. Ms. Cheong, who is our Controlling Shareholder, also serves as our executive Director, the chairperson of our Board and the general manager of our Company. Together with the support of our senior management, our Directors are responsible for overseeing and managing the day-to-day operations of our business. For details, see "Directors and Senior Management".

Our Directors consider that our Board and senior management are capable of managing our Group independently of our Controlling Shareholders for the following reasons:

(a) each Director is aware of his/her fiduciary duties as a Director, which include, amongst others, acting for the benefit and in the best interests of our Company and avoiding any conflicts between his/her duties as a Director and his/her personal interests;

(b) in the event that any Director or any of his/her close associates has a material interest or potential conflict of interest in connection with any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, such Director(s) shall fully disclose such matters to our Board and abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. Additionally, our Group has implemented certain corporate governance measures for situations involving conflicts of interests, see "—Corporate Governance Measures" in this section for further details;

(c) three out of seven Directors are independent non-executive Directors with extensive experience in various professions who are appointed pursuant to the requirements of the Listing Rules, and will bring independent judgment to the decision-making process of our Board;

(d) any connected transactions between our Group and our Controlling Shareholders are subject to the Listing Rules, which stipulate the requirements in relation to annual reporting, review, announcement, circular and independent shareholders' approval (where applicable); and

(e) the main functions of our Board include approving our Group's overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and managing our Company's day-to-day affairs. Our Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director has any decision-making power unless otherwise authorized by our Board.

Operational Independence

We have established our own organizational structure consisting of individual departments, such as the finance department, human resources and administration department, technology center, project management department, R&D center, manufacturing center and marketing center. Each department is assigned specific areas of responsibility. We have implemented a set of internal control mechanisms to enhance the efficiency of our business operations. In addition to our sufficient assets, capital and employees, we have obtained and possess all relevant licenses, permits, approvals and intellectual properties required to conduct our business independently. Furthermore, we have independent access to our suppliers and customers.

Based on the above, our Directors are of the view that our Group can operate independently of our Controlling Shareholders and their close associates upon [**REDACTED**].

Financial Independence

Our finance department is responsible for handling the major finance operations of our Group and is capable of making financial decisions independently according to our own business needs. We manage our bank accounts independently, and do not share any bank accounts with our Controlling Shareholders or their close associates. In addition, we have sufficient capital to operate our business independently and have adequate internal resources to support our daily operations.

As of the Latest Practicable Date, our Group does not rely on our Controlling Shareholders and/or their respective close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, on one hand, none of the Controlling Shareholders or their respective close associates provided any loans, guarantees or pledges to our Group and, on the other hand, our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders.

Based on the above, our Directors are of the view that our Group is able to operate with financial independence from our Controlling Shareholders and their close associates upon [**REDACTED**].

RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders, our Directors and their respective close associates confirm that they do not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflicts of interests between our Controlling Shareholders and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

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

(b) our Group has established internal control mechanisms to identify connected transactions. Our Company will comply with the requirements in relation to connected transactions under the Listing Rules upon [**REDACTED**];

(c) we are committed to ensuring that our Board should include a balanced composition of executive, non-executive and independent non-executive Directors. We have appointed three independent non-executive Directors whom we believe possess sufficient experience and are free of any business and/or other relationship which could interfere in any material manner with the exercise of their independent judgment. Our independent non-executive Directors will be able to provide an impartial and external opinion to protect the interests of our [**REDACTED**] Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management—Directors";

(d) our Directors will operate in accordance with the Articles which require the interested Director not to vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested except as permitted by the Articles;

(e) where our Directors reasonably request the advice of independent professionals, such as financial advisor, the appointment of such independent professionals will be made at our Company's expense; and

(f) we have appointed Maxa 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 internal controls.

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