OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the **[REDACTED]** and the **[REDACTED]**, assuming the **[REDACTED]** is not exercised, Mr. Wang through Supra Brilliant, Ms. Hu through Acme Gain, Mr. Xing through Rongshun Technology and Hangzhou Rongshun, and Ms. Guo, through Qingyun Technology and Hangzhou Qingyun will hold an interest in approximately **[REDACTED]**%, **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**%, respectively, of the total issued Shares of our Company. In addition, Great Reputation is a holding company wholly owned by Ms. Hu and serves as our shareholding platform for the Pre-**[REDACTED]** Share Incentive Plan. The voting rights of the Shares held by Great Reputation are ultimately controlled by Ms. Hu. Immediately upon completion of the **[REDACTED]** and the **[REDACTED]**, Great Reputation will hold **[REDACTED]**% of the total issued Shares, assuming the **[REDACTED]** is not exercised.

Mr. Wang is our co-founder, Chairman, executive Director and chief executive officer. Ms. Hu is our co-founder, executive Director and vice president and is the spouse of Mr. Wang. Mr. Xing and Ms. Guo are each individual investors in the pharmaceutical industry. They first became acquainted with Mr. Wang in the early years of their careers through mutual business contacts in the pharmaceutical industry. Over the course of their ongoing collaborations, they engaged in discussions regarding industry trends and the business development direction of our Group, and gradually developed a close rapport based on their shared views regarding the pharmaceutical industry and the strategic positioning of our Group. Leveraging their networks, Mr. Xing and Ms. Guo introduced to Mr. Wang a number of potential investors whom they considered to be a good strategic fit for our Group, and facilitated communications and discussions between such investors and our Company in relation to potential investment and cooperation opportunities. In December 2017, Mr. Wang agreed to transfer 200 and 10 ordinary shares of our Company to Mr. Xing and Ms. Guo, respectively, in connection with their contributions relating to the introduction of investments in our Company. In January 2018, in recognition of Mr. Wang's management experience, industry expertise and leadership role within our Group, and to support the stable and consistent management direction of our Company, Mr. Wang entered into acting in concert agreements with Ms. Hu and Mr. Xing, respectively, and Ms. Guo signed an authorization letter authorizing Mr. Wang to exercise the voting rights in our Company on her behalf, which together formed the acting in concert arrangements among the Ultimate Controlling Shareholders. In October 2025, the Ultimate Controlling Shareholders entered into the Acting in Concert Deed to further acknowledge and confirm the prior acting in concert arrangements among them. See "History Development and Corporate Structure — Acting In Concert Deed". The roles of Mr. Xing and Ms. Guo in relation to our Group are limited to their respective capacities as individual investors, and do not extend to the day-to-day management or operations of our Group. Accordingly, neither Mr. Xing nor Ms. Guo has held any position in our Group. Save for (i) the spousal relationship between Mr. Wang and Ms. Hu, (ii) their respective shareholding interests in our Group, and (iii) the acting in concert arrangements described above, there is no other relationship among Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo.

By virtue of the Acting in Concert Deed, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, will be entitled to exercise **[REDACTED]**% of the voting power at general meetings of our Company and accordingly, Mr. Wang, Ms. Hu, Mr. Xing, Ms. Guo, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun will be a group of Controlling Shareholders upon the **[REDACTED]**.

COMPETITION

Each of our Directors and our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, none of them or any of their respective close associates had interests in any business, other than our business, which competes, or is likely to compete either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises four executive Directors, three non-executive Directors and four independent non-executive Directors. See "Directors and Senior Management" for details.

Our Directors are of the view that our Board and senior management team are able to manage our business independently from the Controlling Shareholders and their respective close associates for the following reasons:

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

- our daily management and operations are carried out by our senior management team as a whole, comprising our four executive Directors, namely, Mr. Wang, Ms. Hu, Ms. Shen Huacheng and Ms. Lin Jing, our vice president, Mr. Wang Xingyao, our head of the mature pharmaceuticals department, Mr. Zhou Laiming, our head of the nephrology and hematology department, Mr. Wang Baolong and our head of the specialty pharmaceuticals department, Mr. Wang Fengqiang, 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;

- we have four independent non-executive Directors, representing more than one-third of the Board, in compliance with the Listing Rules. All of our independent non-executive Directors are qualified to provide independent, sound and professional advice to our Company and will among other matters, review and monitor the connected transactions as may be entered into between our Group and our Controlling Shareholders or their respective associates from time to time to act in the best interests of our Company and our Shareholders as a whole;

- in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders and their close associates which would support our independent management. For more details, see "— Corporate Governance Measures".

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. Our Company (through our subsidiaries) holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, premises, technology and employees to operate our business independently from our Controlling Shareholders. We have independent access to our customers and suppliers and an independent management team, including an organizational structure made up of individual departments, each with specific areas of responsibilities, to operate our business. Our Group has also established a set of internal controls procedures to facilitate the effective operation of our business.

Accordingly, our Directors are of the view that we are able to function and operate independently from our Controlling Shareholders.

Financial Independence

We have an independent internal control and accounting system and make financial decisions according to our business needs. We also have an independent finance department responsible for discharging the treasury functions for cash receipts and payments, accounting, reporting, and internal control independently of our Controlling Shareholders and their respective close associates. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations.

We expect that (i) any amount due to and/or from our Controlling Shareholders which do not arise out of the ordinary course of business and non-trade in nature will be fully settled before the **[REDACTED]**; and (ii) none of the loans or debts of our Group will be guaranteed or secured by any connected person of our Company upon **[REDACTED]**. We have also engaged an independent internal control consultant, which is part of an international audit firm, to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Accordingly, our Directors are of the view that our Group is capable of maintaining financial independence from our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests with our Controlling Shareholders and their respective close associates:

- 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 the **[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 close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting save for certain excepted matters as specified in the Articles of Association;

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

- where a transaction or arrangement of our Company is subject to Shareholders' approval under the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting and shall not be counted in the quorum in the voting on the resolution(s) approving the transaction or arrangement at the general meeting;

- our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders ("**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

- our Controlling Shareholders will undertake to provide, to the extent reasonably practicable, all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

- we will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcements as required by the Listing Rules;

- where our Directors reasonably request the advice of independent professionals, the appointment of such independent professionals will be made at our expenses;

- we have appointed China Sunrise Capital 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; and

- we will appoint a Hong Kong legal advisor to provide advice and guidance to us after the **[REDACTED]** from time to time 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 that may arise between us and our Controlling Shareholders, and to protect our minority Shareholders' interests after the **[REDACTED]**.