OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, Mr. Li was entitled to exercise the voting rights attached to approximately 43.22% of the total issued share capital of our Company, among which, (i) Mr. Li (in his personal capacity) was interested in approximately 29.16% of our total issued share capital, and (ii) controlled approximately 14.06% of the voting rights of our Company through Chifeng Qingxi and Chifeng Mingquan, which held approximately 10.41% and 3.65% of our Shares, respectively.

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), Mr. Li, directly and indirectly through Chifeng Qingxi and Chifeng Mingquan, will hold and be entitled to exercise the voting rights attached to Shares representing approximately [**REDACTED**]% of the issued share capital of our Company. Accordingly, Mr. Li, Chifeng Qingxi and Chifeng Mingquan are our Controlling Shareholders upon [**REDACTED**].

Mr. Li is also our chairman of the Board, an executive Director and general manager of our Company. For further information of Mr. Li, see "Directors and Senior Management — Board of Directors." Chifeng Qingxi and Chifeng Mingquan serve as our employee shareholding platforms. For details, see "History, Development and Corporate Structure — Employee Shareholding Platforms."

Pursuant to the limited partnership agreements of Chifeng Qingxi and Chifeng Mingquan and applicable laws, the general partner, Mr. Li, possesses exclusive management and decision-making authority over Chifeng Qingxi's and Chifeng Mingquan's daily operations, investment activities, and key matters, while their limited partners, regardless of their interests in Chifeng Qingxi and Chifeng Mingquan, are merely passive investors with no right to participate in daily management or decision-making. In practice, the limited partners of Chifeng Qingxi and Chifeng Mingquan only enjoy limited rights which are irrelevant to the daily operation (e.g., information rights), and have never participated in any decision-making or management activities, including but not limited to the formulation of partnership operation plans and the appointment of management personnel. Accordingly, Mr. Li, as the general partner, exercises sole control over Chifeng Qingxi and Chifeng Mingquan.

DELINEATION OF BUSINESS

Founded in 2016, we are a biotech company focusing on the field of immune-inflammation diseases with locally-delivered targeted therapies. We specialize in chronic inflammatory disease treatment, aiming to provide effective solutions that achieve efficacy, safety and long-term patient satisfaction. For further details, please refer to the section headed "Business" of this document.

Mr. Li is the chairman of the Board, an executive Director, general manager and one of the Controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Li was the controlling shareholder of Chifeng Saliont, a company primarily engaged in pharmaceutical wholesale and pharmaceutical manufacturing, including: (1) production and wholesale of generic drugs; and (2) providing contract manufacturing services (CMO business) to innovative pharmaceutical companies, encompassing the synthesis of active pharmaceutical ingredients (APIs) and the processing of finished drug products.

Despite Mr. Li is the controlling shareholder of Chifeng Saliont, the Company is of the view that (i) any potential competition between the Company and Chifeng Saliont is not and is unlikely to be significant, and (ii) Mr. Li is capable of avoiding any actual and potential conflicts of interest for the following reasons:

- *Different business model*: Our Company is an innovation-driven biotech company focused on the R&D of novel small-molecule drugs. In contrast, as advised by Mr. Li, Chifeng Saliont primarily operates as a service provider and supplier within the

pharmaceutical sector, with core activities in active pharmaceutical ingredient (API) synthesis, formulation processing, and the sale of conventional and generic drugs. Further, according to Frost & Sullivan, innovative small-molecule drugs and generic drugs represent fundamentally different product categories with distinct commercial and regulatory pathways. They generally do not compete in the marketplace until the relevant patents for the innovative drug expire.

- *Different technological capability*: Our Company's success is dependent on our R&D capabilities dedicated to creating novel therapies. In contrast, as advised by Mr. Li, Chifeng Saliont's core expertise and revenue are derived from pharmaceutical production and manufacturing, focusing on processes for API synthesis, formulation, and the commercial-scale production of generic drugs. This differentiates us, as a research-oriented biotech entity, from Chifeng Saliont, a manufacturing-focused pharmaceutical producer. As confirmed by Frost & Sullivan, given that we have different technological capability and have different market positions, it is unlikely for Chifeng Saliont to compete with our Company.

- *Different clinical application of our products*: Our R&D pipeline is dedicated to addressing medical needs through therapies targeting specific clinical applications in fields such as dermatology. While material revenue of Chifeng Saliont during the Track Record Period was derived from generic drug products targeting general therapeutic areas such as fever, pain relief, and cardiovascular management. These include (i) Compound Aminopyrine Phenacetin Tablets (for fever and mild to moderate pain) and (ii) Rosuvastatin Calcium Tablets (for treatment of hyperlipidemia).

- *Different target customer base*: In view of the different business model and clinical application of products as discussed above, our primary route to market and target customers are prescription-driven hospital core departments. In contrast, Chifeng Saliont's major products are primarily distributed via a retail-based, over-the-counter (OTC) model, and its target customer group consists of external distributors, wholesale agents, pharmacy chains, and retail outlets.

- Mr. Li has irrevocably confirmed that insofar as he has interest in Chifeng Saliont whether as Controlling Shareholder or otherwise, he shall abstain from voting as the Director if any conflict of interest or duty arises from the Company's transactions with Chifeng Saliont. Furthermore, Mr. Li is aware of his fiduciary duties as Directors which require that they must, among other things, act in good faith for the benefit of the Company, and avoid actual conflicts between his personal interests (for instances, as the controlling shareholder of Chifeng Saliont) and the interests of the Company. In particular, if Mr. Li has material interests, he shall make full disclosure in respect of matters that conflict or potentially conflict with the interest of the Company and absent himself from the Board meetings on matters in which he or his close associates might have a material interest.

Besides, as of the Latest Practicable Date, Mr. Li had direct and/or indirect interest in each of the following companies:

(i) Chifeng Fukang Investment Management Co., Ltd. (赤峰福康投資管理有限公司), a company primarily engages in investment and operations within the comprehensive health business sector.

(ii) Chifeng Meinian Healthcare Management Co., Ltd. (赤峰美年大健康健康管理有限公司), a company primarily engages in body check and consulting services.

(iii) Chifeng Ciming Healthcare Management Co., Ltd. (赤峰慈銘健康管理有限公司), a company primarily engages in body check and consulting services.

(iv) Chifeng Jinfu Real Estate Development Co., Ltd. (赤峰晉福房地產開發有限公司), a company primarily engages in the wellness-integrated real estate business.

(v) Chifeng Qinghe Hospital (赤峰清河醫院), a private secondary general hospital specializing in chronic disease rehabilitation services.

(together with Chifeng Saliont, collectively, "**Excluded Companies**")

The details of core business, overlap of top five customers and suppliers with the Company, and sharing of entities, business, personnel, premises, facilities and other resources with the Company, of the Excluded Companies are set out as follows:

Entity	Industry	Core Business	Overlap of Top Five Customers and Suppliers with the Company	Sharing of Entities, Business, Personnel, Premises, Facilities and Other Resources with the Company
Company	Immune-inflammation biotech	Chronic inflammatory disease treatment	N/A	N/A
Chifeng Fukang Investment Management Co., Ltd. (赤峰福康投資管理有限公司) .	Investment	Investment within the comprehensive business sector	No	No
Chifeng Meinian Healthcare Management Co., Ltd. (赤峰美年大健康健康管理有限公司)	Body check	Body check and consulting	No	No
Chifeng Ciming Healthcare Management Co., Ltd. (赤峰慈銘健康管理有限公司) .	Body check	Body check and consulting	No	No
Chifeng Jinfu Real Estate Development Co., Ltd. (赤峰晉福房地產開發有限公司)	Real-estate	Wellness-integrated real estate investment	No	No
Chifeng Qinghe Hospital (赤峰清河醫院)[(1)]	Hospital	Private general hospital specializing in chronic disease rehabilitation	No	No

Note:

(1) Chifeng Qinghe Hospital (赤峰清河醫院) has not performed, and is not currently performing, any clinical trials for or related to those of the Company, including investigator initiated trials, bioequivalence studies relating to the Company's generic drug candidates, or any other form of pre-clinical or clinical research.

As confirmed by Mr. Li, apart from Chifeng Saliont, each of the Excluded Companies controlled by Mr. Li did not have business relationship with our Company during the Track Record Period. Further, the core business of the Excluded Companies did not form part of our principal business and there is no overlap as to the industry, top five customers and suppliers between our Company and the Excluded Companies. Separately, our Company and the Excluded Companies do not share any entities, business, personnel, premises, facilities and other resources. The Excluded Companies have been managed by different teams of senior management independently from the senior management of our Company. Accordingly, the Directors are of the view that it would be commercially justifiable to exclude the above companies from our Company as there is a clear delineation of business between the Excluded Companies and our Company.

As such, our Directors are of the view that the potentially competing interests of Mr. Li is unlikely to give rise to any material conflict of interest for our Company as a whole.

As of the Latest Practicable Date, save as disclosed above and in the section headed "Directors and Senior Management" of this document, none of our Controlling Shareholders or Directors was engaged or had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's core business which would require disclosure under Rule 8.10 of the Listing Rules. Therefore, our Directors are of the view that the businesses of Mr. Li and our Company is clearly delineated.

Mr. Li, as one of our Controlling Shareholders and Directors, maintains strict independence in the performance of his duties despite having direct or indirect interests in other companies and a hospital. To ensure that Mr. Li exercises his powers and performs his obligations in an independent and objective manner that is in the best interests of the Company and our Shareholders, the Company has established a comprehensive set of governance measures, internal control systems, decision-making protocols and conflict-management mechanisms:

- *Governance Measures*

  The Company has established a sound corporate governance structure in line with the Listing Rules and relevant regulatory requirements, which lays a solid foundation for Mr. Li's independent performance of duties. The Board has formulated a clear division of powers and responsibilities between the Controlling Shareholders, the Board, the management and other internal institutions, explicitly defining the scope of Mr. Li's powers as a Controlling Shareholder and a Director, and prohibiting him from exercising powers beyond the scope prescribed by our Articles of Association and relevant laws.

- *Internal Control Measures*

  The Company has established and improved a comprehensive internal control system covering financial management, business operation, information disclosure and other key areas, which effectively prevents Mr. Li from using his status to interfere with the Company's normal operation and ensures his independent performance of duties. The Company has strict financial internal control systems, including standardized fund management, accounting and financial reporting procedures, which are independently implemented by the financial department and supervised by the Audit Committee, ensuring that financial decisions are made in accordance with rules and free from improper interference. Besides, the Company has formulated internal control rules for key business links such as procurement, sales and investment, clarifying the approval procedures and responsible persons for each link, and requiring Mr. Li to abide by the same approval process as other Directors and senior management when involving relevant business decisions. Separately, the Company has also established a sound information management system, ensuring that information related to the Company's operation and decision-making is accurately, timely and completely disclosed, and that Mr. Li cannot use undisclosed information to seek personal interests.

- *Decision-making Protocols*

The Company has formulated standardized decision-making protocols for the Board, Shareholders' general meetings and other decision-making bodies, ensuring that Mr. Li exercises his decision-making power in an independent, objective and fair manner. For matters that require deliberation and approval by the Board or Shareholders' general meeting, the Company will provide sufficient and accurate information to all Directors and shareholders in advance, including detailed explanations of matters involving Mr. Li's direct or indirect interests, to ensure that Mr. Li and other participants can make decisions based on full information. When a matter involves Mr. Li's conflict of interest (including interests related to other companies and the hospital in which he has direct or indirect interests), Mr. Li shall strictly abide by the recusal system, voluntarily recuse himself from the deliberation and voting of the relevant matter, and shall not participate in or interfere with the decision-making process. The decision-making process of the Board and Shareholders' general meeting is recorded in detail, including the opinions of each participant, and the minutes are signed and confirmed by all Directors or Shareholders present, ensuring the traceability and transparency of the decision-making process.

- *Conflict-management Mechanisms*

To effectively manage and resolve potential conflicts of interest between Mr. Li's position as our Controlling Shareholder and Director and his interests in other companies and the hospital, the Company has established a sound conflict-management mechanism. The Company has formulated a conflict of interest management policy, which clearly defines the scope of conflicts of interest, the reporting procedures, the recusal rules and the handling methods. Mr. Li is required to truthfully disclose all his direct or indirect interests in other companies and the hospital to the Board and the Company's secretary on a regular basis and in a timely manner when there is any change. For any identified potential conflict of interest, the Audit Committee will conduct an independent review, evaluate the impact of the conflict on the Company's interests, and put forward corresponding handling suggestions, which will be submitted to the Board for deliberation and approval. The Company will regularly review and update the conflict of interest management policy and the disclosed interests of Mr. Li, and strengthen the supervision and inspection of the implementation of the conflict-management mechanism to ensure that all potential conflicts of interest are effectively managed and resolved, and that Mr. Li's performance of duties is always in the best interests of the Company and our Shareholders.

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 his close associates after the [**REDACTED**].

Operational Independence

Although our Controlling Shareholders will retain a substantial interest in our Company after the [**REDACTED**], we have full rights to make all decisions regarding, and to carry out, our own business operations independently. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our product. We hold the licenses and qualifications necessary to carry on our current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders and their respective close associates.

In addition, our organizational structure is made up of individual departments, comprising, amongst others, different functions, including, early R&D center, CMC center, preparation center, clinical research and development center, production quality center, finance center, etc. Each department takes specific areas of responsibility in our Company's operations. We have also established a set of internal control measures to facilitate the effective operation of our business.

Save as disclosed in the section headed "Continuing Connected Transaction" in this document, our Directors do not expect that there will be any significant transaction between our Company and our Controlling Shareholders upon or shortly after the [**REDACTED**].

Based on the above, our Directors are satisfied that we had been operating independently from our Controlling Shareholders and their close associates during the Track Record Period and will continue to operate independently.

Management Independence

The day-to-day management of the business of our Company rested primarily with our Board and our senior management as at the Latest Practicable Date. Our Board comprises four executive Directors, one non-executive Director and four independent non-executive Directors. Mr. Li is the chairman of the Board, an executive Director and general manager of our company.

Although Mr. Li is an executive Director, our management and operational decisions are made by all our executive Directors and senior management, most of whom have served our Company 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 fiduciary duties as a director which require, among others, that he must act for the benefit of and in the best interests of our Company and not allow any conflict between his duties as a director and his personal interests. Further, we believe our independent non-executive Directors are all well-educated with extensive experience in different professions and they have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions. We believe our independent non-executive Directors will bring independent judgement to the decision-making process of our Board.

In addition, our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which any of their close associates has a material interest and shall not be counted in the quorum present at the particular Board meeting. In case Mr. Li is required to abstain from voting at the Board meeting due to potential conflict of interest, the rest of our Board (particularly our independent non-executive Directors) will be able to form a quorum and will ensure that the decisions of our Board are made after due consideration of independent and impartial opinions.

Our Company has also established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Save as disclosed in "Continuing Connected Transaction," our Directors do not expect that there will be any significant transactions between our Company and our Controlling Shareholders upon or shortly after the [**REDACTED**].

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Company independently notwithstanding that Mr. Li is the chairman of the Board, an executive Director and general manager of our Company.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Company had our own internal control, accounting and financial management system and we make financial decisions according to our own business needs.

Our Directors confirm that, as at the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our Controlling Shareholders and/or their respective close associates to our Company.

Based on the above, our Directors believe that we have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from our Controlling Shareholders and their close associates.

NON-COMPETITION UNDERTAKING

Mr. Li has signed a non-competition undertaking on January 21, 2026 in favor of our Company (the "**Non-competition Undertaking**"). Pursuant to the Non-competition Undertaking, Mr. Li has irrevocably undertaken that he would not and will procure that his associates would not, directly or indirectly, whether as principal or agent, either on their own account or in conjunction with or on behalf of any person, firm or company, whether inside or outside the PRC, among other things, carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is or may be in competition with the business of our Company from time to time including without limitation immune-inflammation and R&D of novel small-molecule drugs (the "**Restricted Business**"). The Non-competition Undertaking is enforceable under the PRC laws.

The above undertaking does not apply where:

(i) Mr. Li and/or his associates hold, directly or indirectly, any equity interests in any companies listed on an accepted stock exchange other than our Company, and such companies are not engaged in the Restricted Business;

(ii) Mr. Li and/or his associates hold any equity interests in any company other than our Company, except that:

  (a) according to the latest audited accounts of the company, the Restricted Business in which the company is engaged (and its related assets) accounts for less than 10% of the consolidated sales or consolidated assets of the company; and

  (b) the total number of shares held by Mr. Li and/or his associates account for no more than 5% of the shares of the same class issued by the relevant company, and Mr. Li and/or his associates have no right to appoint most of the Directors of the company;

(iii) any opportunity to invest, participate, be engaged in and/or operate any Restricted Business has first been offered or made available by Mr. Li, and his related parties to us, and after decision by the Company, has been declined in writing or failed to respond within thirty (30) working days (the notification period could be extended to sixty (60) working days if requested by us) after being notified of such opportunity to invest, participate, be engaged in or operate the Restricted Business.

Pursuant to the Non-competition Undertaking, the above restrictions would only cease to have effect upon the earlier of: (i) the H Shares of our Company cease to be [**REDACTED**] on the Stock Exchange; and (ii) Mr. Li ceases to be a Controlling Shareholder.

Option for New Competing Business Opportunities

Mr. Li has undertaken in the Non-competition Undertaking that if Mr. Li and his associates become aware of, have received notice about, are recommended or provided with new business opportunities which will or may directly or indirectly compete with the Restricted Business, including but not limited to the opportunities which are the same as or similar to the Restricted Business (the "**New Competing Business Opportunities**"), Mr. Li shall refer or recommend, and shall procure his associates to refer or recommend, the New Competing Business Opportunities to our Company subject to relevant laws, requirements or contractual arrangements with third parties in accordance with the following:

(i) Mr. Li shall provide our Company with a written notification which includes all reasonable and necessary information known to Mr. Li and his associates (including but not limited to the nature of the New Competing Business Opportunities and necessary information relating to the cost of the relevant investment or acquisition) for our Company to consider (a) whether the New Competing Business Opportunities constitute competition or potential competition to the Restricted Business; and (b) whether engaging in such New Competing Business Opportunities would be in the best interests of our Company (the "**Offer Notice**"); and

(ii) The Company shall respond to Mr. Li and/or his associates within thirty (30) working days upon receipt of the Offer Notice (the notification period could be extended to sixty (60) working days if requested by us). If our Company fails to reply to Mr. Li and/or his associates within the above period, it shall be deemed to have abandoned the New Competing Business Opportunities. If our Company determines to take up the New Competing Business Opportunities, Mr. Li and/or his associates would be obligated to offer such New Competing Business Opportunities to our Company.

Pre-emptive Right

Mr. Li has undertaken that if Mr. Li and/or his associates intend to transfer, sell, lease or license concession to a third party any businesses engaged in by Mr. Li and/or his associates which competes or may compete with the Restricted Business or any other businesses which would cause direct or indirect competition with the Restricted Business, Mr. Li shall offer our Company such opportunity with a pre-emptive right on equal terms subject to the relevant laws, regulations and contractual arrangements with third parties in accordance with the following:

(i) Mr. Li and/or his associates shall provide the Company with written notice no later than the time of any such disposal (the "**Disposal Notice**"). For the avoidance of doubt, Mr. Li and/or his associates are entitled to provide information and/or a Disposal Notice relating to such disposal to any third parties at the same time as or after providing the Disposal Notice to the Company;

(ii) The Company shall reply to Mr. Li and/or his associates in writing by whichever is the later of the thirtieth (30th) working day after receipt of the Disposal Notice (the notification period could be extended to sixty (60) working days if requested by us) or the expiration of the period offered to third parties for them to reply in writing, before exercising the pre-emptive right;

(iii) If the Company intends to take up such pre-emptive right, the terms shall be determined with reference to fair market price; and

(iv) Mr. Li and/or his associates shall not dispose of such businesses and interests to any third parties unless (a) the Company declines to purchase such businesses and interests in writing; (b) the notice of exercising such pre-emptive right has not been received by Mr. Li and/or his associates from the Company by whichever is the later of the thirtieth

(30th) working day after receipt of the Disposal Notice (the notification period could be extended to sixty (60) working days if requested by us) and the expiration of the period offered to third parties for them to reply; or (c) the Company fails to offer Mr. Li and/or his associates the same or more favorable terms of acquisition than those offered by any third parties to Mr. Li and/or his associates.

For the avoidance of doubt, the terms of disposal offered by Mr. Li and/or his associates to any third parties shall not be more favorable than those to be offered to the Company.

Option for Purchase

To the extent that no relevant laws and regulations are breached and agreements with third parties are complied with, the Company is entitled to acquire any businesses operated by Mr. Li and/or his associates which compete or may compete with the Restricted Business or have the option to acquire any businesses or any interests engaged in by Mr. Li and/or his associates through the abovementioned New Competing Business Opportunities (the "**Option for Purchase**"). The Company is entitled to exercise the Option for Purchase, whether singly or separately, at any time, Mr. Li and/or his associates shall offer the Option for Purchase to the Company on the condition that the commercial terms of a proposed acquisition shall be arrived at solely by a committee consisting of our independent non-executive Directors after consulting the views of independent experts. Furthermore, such commercial terms shall be based on negotiation between the parties involved in line with the normal commercial practice of the Company, and shall be fair, reasonable and in the interests of the Company as a whole through the negotiation with Mr. Li and his associates.

However, if a third party has the pre-emptive right in accordance with applicable laws and regulations and/or a prior legally binding document (including, but not limited to, articles of association and/or shareholders' agreements), the Company's Option for Purchase shall be subject to such third-party rights. In such case, Mr. Li and/or his associates will use their best efforts to persuade the third party to waive its pre-emptive rights.

Further Undertakings

Mr. Li has further undertaken that, subject to relevant laws, regulations or contractual arrangements with third parties: (i) at the request of the Company, he shall provide, and shall procure that his associates will provide, any necessary information for the implementation of the Non-competition Undertaking; (ii) he shall allow the authorized representatives or auditors of the Company to have reasonable access to the financial and corporate information necessary to their transactions with third parties, which would assist with the judgment of the Company in respect of whether Mr. Li and/or his associates have complied with the Non-competition Undertaking; and (iii) he shall ensure that, within ten (10) working days of receipt of the written request from the Company, necessary confirmation shall be made in writing to the Company as to the performance of the Non-competition Undertaking by Mr. Li and his associates, and the consent of Mr. Li and his associates to allow such confirmation to be included in our annual reports.

In order to monitor ongoing compliance with the Non-competition Undertaking, we adopted the following measures:

(a) provision to our independent non-executive Directors of any Offer Notice or Disposal Notice received within seven working days of receipt;

(b) disclosure in our annual reports of the confirmation by Mr. Li of compliance with the Non-competition Undertaking by him, including that all relevant notices and preemptive offers have been given to us for all relevant business opportunities; and

(c) disclosure in our annual reports of the findings of our independent non-executive Directors on each Offer Notice or Disposal Notice received, and the basis of their decision(s) (where applicable).

In case of potential breach of the Non-competition Undertaking by Mr. Li, we will implement a set of five-step procedures, namely identification and reporting of potential breaches, preliminary investigation and evidence collection, formal review and determination, targeted handling of confirmed breaches, and follow-up supervision and standardized documentation, to require Mr. Li to fully and effectually indemnify our Company against any losses, liabilities, damages, costs, fees and expenses as a result of any breach of the Non-competition Undertaking.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Hong Kong Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director has a material interest in the company involved, and if the laws and regulations and the rules of the stock exchange where our Shares are listed imposed any further restrictions on directors' attendance at board meetings and voting, such laws, regulation and rules shall be complied with;

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

- 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 four 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 and external opinion to protect the interests of our [**REDACTED**] Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management — Board of Directors — Independent Non-executive Directors;"

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Company 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 annual report or by way of announcements; and

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