

RELATIONSHIP WITH OUR GROUP OF CONTROLLING SHAREHOLDERS

OUR GROUP OF CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Wang directly held approximately 18.62% issued share capital of our Company.

As of the Latest Practicable Date, Dr. Wang was the general partner of each of (i) Ruihao Technology LP, (ii) Haosheng Technology LP, (iii) Kaihao Technology LP, and (iv) Qianqin Technology LP. Accordingly, Dr. Wang is deemed to control the total voting rights of each of (i) Ruihao Technology LP, (ii) Haosheng Technology LP, (iii) Kaihao Technology LP, and (iv) Qianqin Technology LP in our Company. As of the same date, Ruihao Technology LP directly held approximately 9.06% issued share capital of our Company; Haosheng Technology LP directly held approximately 1.22% issued share capital of our Company; Kaihao Technology LP directly held approximately 6.37% issued share capital of our Company; and Qianqin Technology LP directly held approximately 4.76% issued share capital of our Company, respectively. In light of the above, Dr. Wang, through each of Ruihao Technology LP, Haosheng Technology LP, Kaihao Technology LP and Qianqin Technology LP, and on an aggregate basis, indirectly held an 21.42% of our total share capital.

Accordingly, Dr. Wang directly and through Ruihao Technology LP, Haosheng Technology LP, Kaihao Technology LP and Qianqin Technology LP (each being a member of our Group of Controlling Shareholders), controlled approximately 40.04% of our total share capital as of the Latest Practicable Date. Immediately following the completion of the [REDACTED], our Group of Controlling Shareholders will be interested in approximately [REDACTED] of our total share capital (assuming the [REDACTED] is not exercised).

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Each member of our Group of Controlling Shareholders confirmed that, as of the Latest Practicable Date, he/it did not have any interest in any business, other than our business, which compete, or is likely to compete, either directly or indirectly, with our business and would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR GROUP OF CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from our Group of Controlling Shareholders, after the [REDACTED].

Management Independence

Our daily operational and management decisions are made collectively by our executive Directors and our senior management, with our Board having an overall supervision of our management. Our Board consists of three executive Directors, three non-executive Directors and three independent non-executive Directors.

Save as disclosed in the following table and in “Directors and Senior Management”, none of our Directors or our senior management members holds any directorship or senior management position in any of the companies in which our Group of Controlling Shareholders are interested in, other than those within our Group. Upon the [REDACTED], Dr. Wang will continue to hold certain positions in our Group of Controlling Shareholders.

Name	Position in our Company	Position(s) held within our Group of Controlling Shareholders
Dr. Wang	Executive Director, Chairman of our Board and chief executive officer	<ul style="list-style-type: none"> General partner of Ruihao Technology LP General partner of Haosheng Technology LP General partner of Kaihao Technology LP General partner of Qianqin Technology LP

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Notwithstanding the overlapping executive roles of Dr. Wang in our Company and our Controlling Shareholders, we believe that our Directors, including Dr. Wang, are able to perform their roles in our Company independently. We are capable of managing our business independently from our Group of Controlling Shareholders for the following reasons: (i) Dr. Wang as our executive Director, Chairman of our Board and our chief executive officer, devotes substantially all his time to discharge his duties of his positions at our Group. Additionally, the said entities are for shareholding purpose only, which do not require actual day-to-day management; (ii) Mr. Ai Xing (艾興先生), Mr. Chen Gao (陳杲先生) and Ms. Shen Qin (沈琴女士) are our non-executive Directors. Although they are not involved in our daily operation, they would keep up to date with our business affairs and assist in supervising and scrutinising our business performance to fulfil their obligation as a director through providing professional advice and attending business update meetings; (iii) during the Track Record Period and up to the Latest Practicable Date, none of our Directors, senior management and employees have received cash remuneration or other economic benefits for the performance of their services to our Group without being recharged to our Group; (iv) 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 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; (v) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review. They have diverse knowledge and experience in pharmaceutical, accounting and audit, and information technology and management industries to provide professional and experienced advice to us. In addition, each of the independent non-executive Directors has read the document to have a thorough understanding of our industry and business. They have also obtained the relevant industry experience through their participation in our Board meetings. As a result, our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgement to the decision-making process of our Board if all the executive and non-executive Directors are required to abstain from voting and protect the interest of our Company and our Shareholders as a whole; (vi) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on matters relating to our Company due to potential conflict of interests; and (vii) we have adopted sufficient and effective control mechanisms to ensure that our Directors shall discharge their duties appropriately and safeguard the interests of our Shareholders as a whole.

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 Group independently and capable of managing our business independently from our Group of Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates for the following reasons: (i) we possesses sufficient capital, property, equipment and technology to operate our business independently, and holds all the relevant material licences, qualifications, intellectual properties and permits required for conducting that are necessary for our business; (ii) we have an established and complete organisational structure, comprising various separate departments each charged with specific responsibilities; (iii) we have independent access to, among others, customers, and suppliers required for our business, and we operate our business independently, with independent rights to make and implement our operational decisions; (iv) we maintain a set of internal control procedures to facilitate the effective operation of our business. For details on the internal control procedures, see “Business — Risk Management and Internal Control”; and (v) we have adopted a set of corporate governance practises and manuals, such as rules with respect to our Shareholders’ meeting, our Board meeting, our board committees’ meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

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Financial Independence

We have established our own finance department with a team of independent finance staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Group of Controlling Shareholders. We can make financial decisions independently according to our business needs. We maintain our bank accounts independently and does not share any bank account with our Group of Controlling Shareholders who do not intervene with our use of funds. We have also established an independent and sound internal audit system, a standardised financial and accounting system and a complete financial management system. 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 have access to independent third-party financing and are capable of obtaining such financing without the need to rely on any guarantee or security provided by our Group of Controlling Shareholders or their respective close associates. We will not rely on our Group Controlling Shareholders for financing after the [REDACTED] and we will have sufficient working capital to operate our business independently.

We provided loans of RMB9.0 million and RMB3.0 million to Dr. Wang at an interest rate of 3.45% and 3.10%, respectively, and such loans were fully repaid in June 2025 and July 2025, respectively. See Note 29 set out in the Accountants’ Report in Appendix I to this document and “Financial Information — Related Party Transaction”. During the Track Record Period, we also had certain bank borrowings guaranteed by Dr. Wang and his spouse. As of the Latest Practicable Date, all balances due from Dr. Wang had been fully settled, and as confirmed by the relevant banks, the guarantees provided by Dr. Wang and his spouse in respect of our bank borrowings will be released thereby immediately prior to the [REDACTED]. For the purpose of enhancing our corporate governance, we have adopted enhanced internal control measures, which will be implemented in respect of financial assistance to/from our connected persons and their close associates.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently from, and do not place undue reliance on, our Group of Controlling Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance to protect the interest of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Group of Controlling Shareholders: (i) where a general meeting is held for considering proposed transactions in which any member of our Group of Controlling Shareholders has a material interest, he/it shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting; (ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting; (iii) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and any member of our Group of Controlling Shareholders, he/it shall provide the independent non-executive Directors with all necessary information and we shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements; (iv) our Directors (including our independent non-executive Directors) will seek independent and professional opinions from external advisers at our cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Listing Rules; (v) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent Shareholders’ approval requirements (if applicable) under the Listing Rules; and (vi) We have appointed Red Solar Capital Limited as our compliance adviser, 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 corporate governance.

Based on above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Group of Controlling Shareholders and/or other Directors to protect minority Shareholders’ rights after the Listing.