OVERVIEW

As of the Latest Practicable Date, Dr. Sun was entitled to control the exercise of the voting rights attached to approximately 24.98% of our total issued share capital, of which approximately 4.95% of our total issued share capital was held by her directly, and approximately 20.03% of our total issued share capital was controlled by her through her capacity as the general partner of each of Shanghai Haiyi, Shanghai Yizhong and Shanghai Yimu, which held 12.93%, 5.27% and 1.83% of our total issued share capital, respectively. In addition, Dr. Sun is entitled to control the composition of a majority of our Board pursuant to the shareholders' agreements prior to the [**REDACTED**]. Accordingly, Dr. Sun together with her controlled entities are considered to be our controlling shareholders prior to the [**REDACTED**].

Immediately upon completion of the [**REDACTED**] and assuming the [**REDACTED**] and any options granted under the 2026 [**REDACTED**] Share Option Scheme are not exercised, Dr. Sun together with her controlled entities will be entitled to exercise the voting rights attached to approximately [**REDACTED**]% of our total issued share capital. As the special rights under the shareholders' agreement would be terminated immediately before the [**REDACTED**], they will cease to be our controlling shareholders and continue to be our Single Largest Group of Shareholders upon the [**REDACTED**]. For details on the special rights under the shareholders' agreement, see "History, Development and Corporate Structure — [**REDACTED**] Investments — 8. Special Rights of the [**REDACTED**] Investors." For details on the shareholding percentages of our Single Largest Group of Shareholders, see "Substantial Shareholders" in this document.

As of the Latest Practicable Date, save and except for their interests in our Company and as disclosed in the section headed "Directors and Senior Management — Competition" in this Document, none of our Single Largest Group of Shareholders, our Directors, or any of their close associates had any interests in any other companies which may, directly or indirectly, compete with or is likely to compete with our business which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Group of Shareholders after the [**REDACTED**].

Management Independence

Our business is managed and operated by our Board and senior management. Our Board consists of three executive Directors, three non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management." Our executive Directors and senior management team are responsible for the day-to-day management and operations of our business. Each member of our senior management team possesses relevant management and/or industry-related experience to act as such. Our Directors believe that our Company is able to operate our business independently of our Single Largest Group of Shareholders for the following reasons:

(i) Dr. Sun is currently responsible for the management of the shareholding platforms consisting of Shanghai Haiyi, Shanghai Yizhong and Shanghai Yimu. None of these shareholding platforms has any business other than its shareholding in the Company. As such, there will be no conflict of interest between the business of the Company and Dr. Sun's;

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

(iii) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decisions unless authorized by the Board;

(iv) our Board has a balanced composition of executive, non-executive and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors account for not less than one-third of our Board. All of our independent non-executive Directors are independent of our Single Largest Group of Shareholders and have extensive experience in their respective areas of expertise. All 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 the Board are made only after the due consideration of independent and impartial opinions;

(v) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and any Director or his/her associates, the interested Director is required to abstain before voting at the relevant Board meetings in respect of such transactions;

(vi) upon completion of the [**REDACTED**], we will adopt a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. For details, see "— Corporate Governance Measures" in this section.

Based on the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly to safeguard the interests of our Company and all of 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

Our Directors consider that our operations do not depend on the operations of our Single Largest Group of Shareholders and their close associates for the following reasons:

(i) our Group possesses sufficient capital, property, equipment, technology and human resources to operate its business independently, and holds concessions and qualifications that are necessary for our business;

(ii) our Group has an established organizational structure, comprising various separate departments each charged with specific responsibilities;

(iii) our Group also has independent access to, among others, suppliers, technical and medical experts and other resources required for our Group's business, and we operate our business independently, with independent rights to make and implement operational decisions;

(iv) we maintain a set of internal control procedures to facilitate the effective operation of our business, see the section headed "Business — Risk Management and Internal Control — Internal Control" in this document;

(v) we have adopted a series of corporate governance measures, such as rules with respect to our Shareholders' meetings, Board meetings and the Board committees' meetings, pursuant to relevant laws and regulations.

Based on the above, our Directors believe that our Company operates independently from our Single Largest Group of Shareholders and 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 and internal control functions independent from our Single Largest Group of Shareholders and their close associates. Further we have a sound and independent financial system, and make independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Single Largest Group of Shareholders and their close associates. 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 Single Largest Group of Shareholders and their close associates.

We do not expect to rely on our Single Largest Group of Shareholders and 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, equity financing, bank loans as well as the [**REDACTED**] from the [**REDACTED**].

We advanced a loan of RMB222,000 to Dr. Sun which was outstanding as at December 31, 2024 but was fully repaid in November 2025. Save for a loan of RMB10,000 advanced by Dr. Sun to the Group which is still outstanding as of the Latest Practicable Date and is expected to be fully repaid before [**REDACTED**], as of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, any member of our Single Largest Group of Shareholders and their close associates. See Note 28 to the Accountants' Report as set forth in Appendix I to this document for further details.

Based on the above, our Directors believe that we are able to maintain financial independence from our Single Largest Group of Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Code on Corporate Governance Practices and Corporate Governance Report as set out in Appendix C1 to the Listing Rules (the "**CG Code**"), which sets out the principles of good corporate governance, upon [**REDACTED**].

Our Directors recognize the importance of good corporate governance in the protection of our Shareholders' interests. We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Single Largest Group of Shareholders and their close associates:

(i) where a Board meeting is held for the matters in which any 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;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which any of our Single Largest Group of Shareholders and their close associates has a material interest, our Single Largest Group of Shareholders shall not vote on the resolutions and shall not be counted in the quorum in the voting;

(iii) if disinterested Directors (including the independent non-executive Directors) reasonably seek to obtain independent and professional advice (such as financial adviser advice), the costs incurred for obtaining such advice will be borne by our Company;

(iv) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with any of our Single Largest Group of Shareholders and their close associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules including, but not limited to, the announcement, reporting and independent Shareholders' approval requirements (where applicable) under the Listing Rules;

(v) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience. They are committed to providing impartial and professional advice to protect the interests of our minority Shareholders;

(vi) in the event that our independent non-executive Directors are requested to review any conflict of interests between our Group and our Single Largest Group of Shareholders, the relevant member in our Single Largest Group of Shareholders shall provide the independent non-executive Directors with all relevant financial, operational and market and any other necessary information. Our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;

(vii) we have established the Audit Committee, the Remuneration Committee and the Nomination Committee with written terms of reference in compliance with the Listing Rules and the CG Code; and

(viii) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to corporate governance from the [**REDACTED**] to the date when we distribute our annual report of financial results for the first full financial year commencing after the [**REDACTED**].

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between us on one hand, and our Single Largest Group of Shareholders and their close associates on the other hand, and to protect minority Shareholders' rights after the [**REDACTED**].