OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Dr. Zhu directly held approximately 72.22% of our total issued Shares, representing approximately 72.49% of the total voting rights in our Company (excluding treasury Shares). Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), Dr. Zhu will directly hold approximately [**REDACTED**]% of our total issued Shares, representing approximately [**REDACTED**]% of the total voting rights in our Company (excluding treasury Shares). Accordingly, Dr. Zhu is, and will continue to be upon completion of the [**REDACTED**], our Controlling Shareholder.

Dr. Zhu is our executive Director, chairperson of the Board, general manager and Chief Scientific Officer. For details, see "Directors and Senior Management."

CONFIRMATION OF NO COMPETING INTEREST

Dr. Zhu confirms that, as of the Latest Practicable Date, he had no interest, other than through our Group, in a business that competes or is likely to compete directly or indirectly with our Group and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Taking into consideration the following factors, our Directors are of the view that our Group can conduct our business independently from our Controlling Shareholder after the [**REDACTED**].

Management Independence

Our Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. Our Company has a senior management team comprising four members. See "Directors and Senior Management" for further details.

The executive Directors and senior management manage the Group's day-to-day operations. Except for the relationship between Dr. Zhu and Dr. Zhu Hai as disclosed in "Directors and Senior Management", the other executive Directors and members of senior management are independent of Dr. Zhu. The Directors consider that our Company can operate independently from Dr. Zhu for the following reasons:

(i) each Director is aware of his or her fiduciary duties and responsibilities as a director, which require that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) other than Dr. Zhu Hai, all of the other Directors are independent of Dr. Zhu and decisions of the Board require the approval of a majority vote from the Board. Therefore, the Board can manage the operation of our Company independently of our Controlling Shareholder;

(iii) the day-to-day management and operations of our Group are carried out by our executive Directors and senior management team, most of whom are independent of our Controlling Shareholder and have substantial experience in the industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(iv) we have appointed three independent non-executive Directors, comprising not less than one-third of the total members of our Board, who have sufficient knowledge, experience and competence, so that there is a balanced composition of executive, non-executive Directors and independent non-executive Directors to ensure the independence of the Board in making decisions affecting our Company and to promote the interests of our Company and the Shareholders as a whole;

(v) our Company has 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. 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 is obliged to declare and fully disclose such potential conflict of interest and 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; and

(vi) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholder which would support our independent management. For details, see "— Corporate Governance" below.

Based on the above, we believe that our Board and senior management as a whole are able to perform the managerial role independently from our Controlling Shareholder, and there is no management dependence by us on our Controlling Shareholder.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our Controlling Shareholder. We have independent access to suppliers and customers, and have independent production capabilities. We are also in possession of all relevant assets, licenses trademark and other intellectual property necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently from the Controlling Shareholder.

Based on the above, we believe that there is no operational dependence by us on our Controlling Shareholder.

Financial Independence

We have independent internal control, financial and accounting systems. We also have an independent finance department as well as implemented strong and independent audit, accounting and financial management systems. We have opened accounts with banks independently and do not share any bank accounts with our Controlling Shareholder or his close associates. We have made tax filings and paid tax independently from our Controlling Shareholder and his close associates pursuant to applicable laws and regulations. As of the Latest Practicable Date, there were no outstanding loans, advances and balances due to and from and guarantees provided by our Controlling Shareholder and/or his close associates. We do not expect to rely on our Controlling Shareholder and his close associates for financing after [**REDACTED**].

Based on the above, we believe that there is no financial dependence by us on our Controlling Shareholder.

CORPORATE GOVERNANCE

Our Company will comply with the Corporate Governance Code. Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholder:

(i) we have established internal control procedures to identify connected transactions. Following the [**REDACTED**], any connected transactions between our Company and our Controlling Shareholder or his close associates will be conducted in compliance with the applicable Listing Rules;

(ii) where any Director and/or his or her close associates has a material interest in any matter to be considered by our Board, such Director shall abstain from voting on the relevant Board resolutions and shall not be counted towards the quorum, in accordance with our Articles of Association;

(iii) our Board comprises a balanced mix of executive, non-executive and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board. This enables our Board to exercise independent judgment and provide independent advice to our Shareholders. Our independent non-executive Directors possess the requisite knowledge and experience to perform their roles and will review potential conflicts of interest between our Group and our Controlling Shareholder and provide impartial and professional advice to protect Shareholders' interests, particularly those of minority Shareholders;

(iv) where reasonably requested by our Directors, including our independent non-executive Directors, our Company will appoint independent professional advisers, including financial or legal advisers, at our Company's expense; and

(v) we have appointed TFI Capital Limited as our compliance adviser to advise and guide us on compliance with applicable laws and the Listing Rules, including 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 between our Group and our Controlling Shareholder and his close associates, and to protect the interests of our Shareholders, in particular, the minority Shareholders after [**REDACTED**].