
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), YK Development and Daan International will be interested in approximately [REDACTED]% and [REDACTED]% of the total issued share capital of our Company, respectively. YK Development is ultimately controlled by Mr. Zhang Yong, and Daan International is wholly-owned by Guangzhou Daan Gene Technology Co., Ltd (廣州市達安基因科技有限公司) (“**Guangzhou Daan Gene**”) and ultimately controlled by Da An Gene. Therefore, Mr. Zhang Yong, Daan International, Guangzhou Daan Gene and Da An Gene will be the Controlling Shareholders of the Company upon [REDACTED] as defined under the Listing Rules.

In addition, YK Development is an investment vehicle and is held as to approximately 64.04%, 23.47%, 6.95%, 3.04%, 0.50% and 2.00%, by Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited, respectively. Pursuant to paragraph 3.4.3 of HKEX-GL89-16, Mr. Zhang Yong and YK Development are a group of controlling shareholders together with Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited.

Based on the above, Mr. Zhang Yong, Daan International, Guangzhou Daan Gene, Da An Gene, YK Development, Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited will be the Controlling Shareholders of the Company upon [REDACTED] as defined under the Listing Rules.

On December 18, 2020, Sun Yat-sen University transferred (“**Transfer**”) all its indirect interests in Da An Gene (through Guangzhou Zhongda Holdings Co., Ltd. (“**Guangzhou Zhongda**”)) to Guangzhou Finance Holdings Group Co., Ltd (“**Guangzhou Finance Holdings**”). After the Transfer is completed, Sun Yat-sen University is no longer a related party of the Group.

Both Guangzhou Zhongda and Guangzhou Finance Holdings are state-owned, the beneficial ownership of Da An Gene will not change upon completion of the Transfer. The Transfer is part of the reform of state-owned enterprises of The People’s Government of Guangzhou Municipality to promote the integration, improve the liquidity and promote the preservation and appreciation of state-owned assets.

The Directors are of the view that the departure of Sun Yat-sen University and the transfer of Guangzhou Zhongda to Guangzhou Finance Holdings will not affect the Company’s ownership continuity as both Sun Yat-sen University and Guangzhou Finance Holdings are not controlling shareholders of the Company on the basis that:

- a. Sun Yat-sen University held less than 50% of the voting interest in Da An Gene through Guangzhou Zhongda and had no control over Da An Gene before the Transfer;

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- b. Guangzhou Finance Holdings hold less than 50% of the voting interests in Da An Gene. To the best of the directors’ knowledge, there exists no agreement or arrangements in relation to voting arrangements between Guangzhou Finance Holdings and other shareholders of Da An Gene with respect to corporate matters in relation to Da An Gene;
- c. Da An Gene is a company listed on the Shenzhen Stock Exchange and its decisions are subject to relevant corporate governance procedures, therefore Guangzhou Finance Holdings will not exercise direct control over the Company;
- d. Da An Gene (and also Sun Yat-sen University) had no statutory or board control over Yunkang Industry after Yunkang Industry was deconsolidated from Da An Gene in September 2018;
- e. Da An Gene (and also Sun Yat-sen University) has not actively participated in the decision making process at the general meetings of Yunkang Industry and that of the Company both before and after the Transfer; and
- f. the Company is not expected to have any change in the way it operates before and after the completion of the Transfer and there is no particular impact of the Group’s operations and performance after the Transfer.

DELINEATION OF BUSINESS

Each of our Controlling Shareholders confirms that as of the Latest Practicable Date, he/it did not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Yunkang Medical Service

Yunkang Medical Service is primarily engaged in providing hospital management service to non-profit community health clinics. Yunkang Medical Service was incorporated in the PRC on May 12, 2017 as a wholly-owned subsidiary of Yunkang Industry. As part of the Reorganization, on January 29, 2021, Yunkang Industry transferred all of its interest in Yunkang Medical Service to Shiwei Kangjie. As of the Latest Practicable Date, Shiwei Kangjie was held as to 60% and 40% by Mr. Zhang Yong and Mr. Lin Yingjia. Mr. Zhang Yong also serves as director and general manager of Shiwei Kangjie.

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We are primarily engaged in providing diagnostic outsourcing services, diagnostic testing services for medical institution alliances and diagnostic testing services for non-medical institutions. The Directors are of the view that there is a clear delineation of the businesses of Yunkang Medical Service and our Company and there is no competition between Yunkang Medical Service and us, on the following basis:

- (i) ***Different services.*** We provide personalized diagnostic testing, medical report consultation and hospital referral services at our outpatient clinic and also diagnostic testing services for medical institution alliances, in which we provide solutions to member hospitals to build up and manage their on-site diagnostic centers, such as assisting our clients to obtain professional testing qualifications, establishing standardized procedures, recruiting professional pathologists and developing information systems. More importantly, the services provided by our Group requires a Medical Institution Practice Licence (醫療執業許可證). For details, please refer to “Regulations—The Administrative Measures on Medical Institutions and its Implementation Measures”. Whereas Yunkang Medical Service provides hospital management services to non-profit community health clinics in relation to the health clinic’s daily operation in return for management fees, which does not require any professional licencing qualification. As such, the services of Yunkang Medical Service and our Group are fundamentally different from each other.

- (ii) ***Different target customers.*** Our customers are primarily hospitals and other medical institutions, and commercial entities such as financial institutions and insurance companies, which periodically procure our diagnostic testing services for their employees or clients. On the contrary, the customers of Yunkang Medical Service are non-profit community health clinics whose clients are individuals. Therefore, the target customers of Yunkang Medical Service and our Group are fundamentally different from each other. During the Track Record Period, although there was a small number of overlapping customers which were those non-profit community health clinics as the Group provided diagnostic testing services to certain non-profit community health clinics, the aggregate revenue contribution to the Group from such overlapping customers was minimal (i.e. less than RMB50,000 for each financial year). As such, the Group is capable of carrying on its business independently of Yunkang Medical Service.

In view of the facts that (i) there is no significant synergy effect between the hospital management business and our Group’s business; and (ii) the hospital management services provided to non-profit community health clinics are not a principal business area of focus that the Group would like to develop in the future, the Company resolved to dispose of Yunkang Medical Service.

Shiwei Kangjie has confirmed that they have no present intention to inject the Yunkang Medical Service into our Group after [REDACTED]. If our Company is aware of any change in such intention, our Company will make an announcement in accordance with Rule 8.10(1)(a)(iv) of the Listing Rules.

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Da An Gene

As disclosed in “Connected Transactions—Non-exempt Continuing Connected Transactions—Laboratory Testing Service Framework Agreement” section, our Company entered into a Laboratory Testing Service Framework Agreement with Da An Gene on February 18, 2022, pursuant to which Da An Gene Group agreed to provide laboratory testing service to our Group.

Our directors are of the view that there is a clear delineation of the testing service businesses of Da An Gene Group and our Group and there is no competition between Da An Gene Group and us, on the following basis:

- (i) ***Different services.*** Some of our testing procedures are sophisticated and we engage third-party laboratories with specific technical skills such as Da An Gene Group to perform certain procedures in the tests to save costs. Having said that, Da An Gene Group can only cover a few procedures in our tests instead of having the capability of conducting the whole testing procedure as we do and our Group will take final responsibility of the final diagnostic testing report.

The comparison table of the business delineation between the testing services of Da An Gene and our Group is set out below.

	Da An Gene	The Group
Testing service type	Mainly focus on fertility and genetic laboratory testing service.	Integrated testing services platform including various diseases and fields.
Scope of testing procedures	Only cover certain procedures in laboratory, mainly the sequencing procedure.	Cover the whole procedures of the testing service, including pre-consultation, sample management and transportation, laboratory tests on the samples, result analyses, issuance of the report and provision of the advice etc.

- (ii) ***Different target customers.*** We mainly provide our diagnostic testing services to our medical institutions and other medical institution clients whereas Da An Gene mainly provides its testing services to laboratory clients. We provided our customer list during the Track Record Period to Da An Gene Group and noted that Da An Gene Group only supplied testing reagents and equipment to the overlapping customers. Therefore, there were no overlapping customers between our Group and the Da An Gene Group during the Track Record Period in respect of the diagnostic testing services.

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Non-Competition undertaking from Da An Gene Group

Da An Gene Group has undertaken to us, for the benefit of our Group, in the non-competition undertaking (the “**Non-Competition Undertaking**”) that, during the effective period of the Non-competition Undertaking, Da An Gene Group shall not directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with any business engaged by any member of our Group, or hold interest in any companies or business that compete directly or indirectly with the business currently or from time to time engaged in by our Group (the “**Restricted Business**”). For the avoidance of doubt, the Restricted Business refers to a full suite of diagnostic testing services for medical institutions and, to a lesser extent, non-medical institutions. The Non-Competition Undertaking has been signed by Da An Gene Group in September, 2021.

Da An Gene Group has undertaken that if any new business/investment opportunity relating to the Restricted Business (the “**Competing Business Opportunity**”) is identified by/made available to it, it shall refer such Competing Business Opportunity to our Company on a timely basis and in the following manner:

- refer the Competing Business Opportunity to our Company by giving written notice (the “**Offer Notice**”) to our Company of such Competing Business Opportunity within 60 days of identifying the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for our Company to consider whether to pursue such Competing Business Opportunity;
- upon receiving the Offer Notice, our Company shall seek approval from a board committee consisting of Directors who do not have an interest in the Competing Business Opportunity, at least one of whom has appropriate industry background or related expertise (the “**Independent Board Committee**”) as to whether to pursue or decline the Competing Business Opportunity;
- any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board Committee) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity;
- the Independent Board Committee shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the nature of the Competing Business Opportunity is consistent with our Group’s strategies and development plans and the general market conditions of our business. If appropriate, the Independent Board Committee may appoint independent financial advisors, industry consultant and legal advisors to assist in the decision-making process in relation to such Competing Business Opportunity;

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- the Independent Board Committee shall, within 30 Business Days of receipt of the written notice referred above, inform Da An Gene Group in writing on behalf of our Company its decision whether to pursue or decline the Competing Business Opportunity;
- Da An Gene Group shall be entitled but not obliged to pursue such Competing Business Opportunity if it has received a notice from the Independent Board Committee declining such Competing Business Opportunity or if the Independent Board Committee failed to respond within such 30 Business Days’ period mentioned above;
- if there is any material change in the nature, terms or conditions of such Competing Business Opportunity pursued by Da An Gene Group, it shall refer such revised Competing Business Opportunity to our Company as if it was a new Competing Business Opportunity; and
- Da An Gene Group shall not charge us for the referral of the Competing Business Opportunity.

The Non-Competition Undertaking will lapse automatically if (i) Da An Gene Group cease to hold, whether directly or indirectly, 30% or above of our Shares with voting rights, provided that Da An Gene Group do not have the right to nominate 50% or more members of our Board or control the voting rights (including but not limited to control the casting vote) of the Board; or (ii) our Shares cease to be [REDACTED].

Yunkang Research Institute

Our directors are of the view that there is a clear delineation between the research activities conducted by Yunkang Research Institute and our Group and there is no competition between Yunkang Research Institute and us, on the following basis:

- (i) ***Different services.*** Yunkang Research Institute is engaged in the research and development of testing kits. Testing kits are a kind of medical device which is used to conduct in-vitro diagnosis during the process of preventing diseases, treatment monitoring, prognosis observation, health status evaluation and genetic disease prediction. Whereas we focus on the research and development of information system technology and testing methodology with a view to improving the procedures and enhancing the overall productivity and achieving automation, the research product will be presented in the form of “software” and “diagnostic procedures”.
- (ii) ***Target customers.*** During the Track Record Period, Yunkang Research Institute did not generate any revenue and had no customers and as such there were no overlapping customers between Yunkang Research Institute and the Group. The Company is capable of carrying out its business independently of Yunkang Research Institute.

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Yunkang Research Institute is a research and development company with the main objective to develop testing kits. The purpose of engaging in the research and development of testing kits is to strengthen the supply of testing kits for diagnostic testing which also forms part of the strategic plan of the Company to further establish as a one stop solution company. However, such research of testing kits is still in an early stage and there are a lot of uncertainties inherent in the research which requires huge amount of capital support. In addition, there is a long process since the commencement of research to the obtaining of the relevant certificate such as the Medical Device Operation License (醫療器械經營許可證). The Company also needs capital to establish production and sales team upon completion of research. To focus on the improvement of the Company’s diagnostic testing service capabilities and diagnostic testing services for medical institution alliances, the Company resolved to dispose of Yunkang Research Institute.

Shiwei Kangjie has confirmed that they have no present intention to inject the Yunkang Research Institute into our Group after [REDACTED]. If our Company is aware of any change in such intention, our Company will make an announcement in accordance with Rule 8.10(1)(a)(iv) of the Listing Rules.

Based on the above, our Directors are of the view that there is no material business competition between each of Yunkang Medical Service, Da An Gene and Yunkang Research Institute and our Group.

The above excluded business did not have any material non-compliances during the Track Record Period and up to the date of disposal.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able of carrying out our business independently from our Controlling Shareholders after the [REDACTED].

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Management Independence

Save as disclosed below, none of our Directors or members of senior management serves as directors or members of senior management in any of our Controlling Shareholders or their respective close associates:

Name	Position in our Company	Positions held in our Controlling Shareholders and their close associates	
		Name of entity	Position
Mr. Zhang Yong	Chairman and chief executive officer	YK Development	Director
		Huizekx Limited	Director
		Gaoxin Yangguang	Executive director
		Shiwei Kangjie	Executive director
Mr. Zhou Xinyu	Non-executive Director	Da An Gene	Director and general manager
		Da An Gene International	Executive director and general manager

Mr. Lin Yingjia, who is a member of the Company’s senior management and holds 40% interest in Shiwei Kangjie, does not hold any directorship or senior management position in Shiwei Kangjie.

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:

- (i) other than Mr. Zhang Yong, none of our executive Director nor members of senior management serves as executive director or senior management member in our Controlling Shareholders or any of their respective close associates. In addition, the entities that Mr. Zhang Yong serves as director or executive director of are investment vehicles which do not have any on-going business. Save and except Mr. Zhang Yong, all overlapping directors were appointed as non-executive directors of the Company and none of them hold any executive functions within the Group;

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- (ii) according to the Articles of Association, with respect to any matters of conflict or potential conflict of interest which involve a transaction between our Company and another company or entity in which a Director holds office, such Director shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting;
- (iii) we have appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of our Company and the Shareholders as a whole. The independent non-executive Directors will give their independent opinions to the Shareholders on the relevant connected transaction(s), if any, pursuant to the Listing Rules. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and our Controlling Shareholders or their respective close associates;
- (iv) each of our Directors is aware of his fiduciary duties and responsibilities under the Listing Rules as a director, which require that he acts in the best interests of our Company and our Shareholder as a whole;
- (v) where a Shareholders' meeting is held to consider a proposed transaction in which the Controlling Shareholders have a material interest, the Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting; and
- (vi) our Company has appointed SPDB International Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance.

Financial Independence

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders or their close associates. We have made tax filings and paid tax independently from our Controlling Shareholders and their close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations.

As of December 31, 2021, we have no outstanding bank borrowings and other borrowings which were guaranteed by Mr. Zhang Yong.

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Immediately following the [REDACTED], we expect to retain a borrowing (the “**Guaranteed Borrowing**”) which are secured by guarantees provided by Da An Gene (the “**Connected Guarantee**”), details of which are set out below:

Lender	Type of financing	Effective date	Maturity date	Annual interest rate	Balance as of December 31, 2021	Nature of financial assistance
CDB Development Fund	Borrowing ⁽¹⁾	December 31, 2015	December 6, 2021 – December 6, 2030	1.2% ⁽²⁾	RMB39 million	Guarantee provided by Da An Gene

Notes:

- (1) The investment of CDB Development Fund in Guangzhou Daan is recognized as a borrowing of our Group with the attributable equity interest of Guangzhou Daan held by our Group as to 100%. For further details of CDB Development Fund’s investment in Guangzhou Daan, see “History, Reorganization and Corporate Structure.”
- (2) Assuming an annual interest rate of 4.9%, which was the benchmark interest rate for loans with maturity period over five years released by the PBOC in December 2015, as a result of such borrowing, our finance costs would have increased hypothetically by RMB1.48 million, RMB1.48 million, RMB1.48 million and RMB1.48 million for the years ended December 31, 2018, 2019, 2020 and 2021, respectively, representing approximately 28.21%, 11.46%, 7.71% and 8.59% of our finance costs for the same periods, respectively. Our Directors are of the view that such pro forma finance costs would not have any material impact on our financial performance during the Track Record Period.

We believe that the premature release of the Connected Guarantee or refinancing the Guaranteed Borrowing would not be in the best interests of our Company and our Shareholders based on the following reasons:

- (a) the commercial terms of the borrowing we obtained from CDB Development Fund are very favorable to our Group with an annual interest rate at only 1.2%. If we terminate the Connected Guarantee for such borrowing or refinance all or part of such borrowing prematurely, we would incur unnecessary additional costs, expenses and time in doing so, and the terms of any new financing we may obtain may not be as favorable as the borrowing we obtained from CDB Development Fund as mentioned above; and
- (b) the Connected Guarantee cannot be released without the prior approval of the decision-making institution of CDB Development Fund, the process of which is usually cumbersome and time-consuming. We believe that the early release of the Connected Guarantee under these Guaranteed Borrowing would be highly difficult and commercially not feasible. Given the insignificant impact of the Guaranteed Borrowing on our Group’s overall financing capabilities as illustrated below, it would be unduly burdensome for our Group to expend disproportionate resources to attempt to terminate the Connected Guarantee prior to the relevant due dates.

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Our Controlling Shareholders’ guarantees arose in the context of common industry practice with respect to bank facilities provided to a private company group in the PRC. Based on the following circumstances and measures taken by our Group, we believe that the continuation of the Connected Guarantee after the [REDACTED] will not affect our ability to operate independently from our Controlling Shareholders and their respective close associates from financial perspectives:

- (a) the Guaranteed Borrowing do not account for a significant portion of our total borrowings. As of December 31, 2021, the aggregate balance of the Guaranteed Borrowing was RMB39 million, representing approximately 13.4% of our Company’s total borrowings;
- (b) we have a robust financial position with our cash and cash equivalents amounting to approximately RMB800.7 million as of December 31, 2021. We believe that we have sufficient working capital to independently settle the amount of the Guaranteed Borrowing without obtaining financial assistance from our Controlling Shareholders or their close associates;
- (c) we have a strong track record of obtaining independent financing and we have secured additional financing channels without security or guarantee by our Controlling Shareholders or their respective close associates. In 2020, we obtained additional loan in an aggregate amount of RMB325.4 million from several commercial banks which were on normal commercial terms without any security or guarantee from any of our Controlling Shareholders or their close associates. As of December 31, 2021, our loan without any security or guarantee from any of our Controlling Shareholders or their close associates has an aggregate outstanding amount of RMB239.9 million. We believe that key financial institutions in China, where the operations of our Company are mainly carried out, recognize the stand-alone credit of our Company and are willing to grant credit lines without financial assistance from our Controlling Shareholders or their close associates following the [REDACTED].

As of December 31, 2021, we had outstanding non-trade balance of RMB19.8 million due from Shiwei Kangjie, a company owned as to 60% and 40% by Mr. Zhang Yong and Mr. Lin Yingjia. Such balance will be settled prior to the [REDACTED].

Save as disclosed herein, as of the Latest Practicable Date, there were no other outstanding loans, advances or non-trade balances due to or from our Controlling Shareholders or their respective close associates, nor were there any other outstanding pledges or guarantees provided for our benefit by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, the unutilized banking facilities amounted to approximately RMB286.0 million. Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

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Operational Independence

We engage in our operations independently, making and implementing operational decisions independently. We have obtained all material licenses and permits necessary for our business operations and are not dependent upon our Controlling Shareholders or their close associates for any such licenses and permits. In addition, we have established our internal organizational and management structure which includes shareholders' meetings, our Board of Directors and other committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

CORPORATE GOVERNANCE MEASURES

Other than deviation from Code Provision C.2.1 as disclosed in the section headed "Directors and Senior Management" in this document, our Company will comply with the provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, which sets out principles of good corporate governance.

Each of our Controlling Shareholders has confirmed that he/it fully comprehends his/its obligations to act in our Shareholders' and our best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

- (a) where a Shareholders' meeting is held for considering any proposed transaction in which any of the Controlling Shareholders has a material interest, the Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;
- (b) 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 resolutions and shall not be counted in the quorum for the voting;
- (c) any transaction between (or proposed to be made between) our Group and the connected persons shall comply 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;
- (d) our independent non-executive Directors are independent of our Controlling Shareholders and are appointed in accordance with the requirements under the Listing Rules to ensure that decisions of the Board are made only after due consideration of independent and impartial opinions. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience;

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- (e) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interest between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our other Shareholders. Our Controlling Shareholders shall provide the independent non-executive Directors with all necessary information;
- (f) our Company has appointed SPDB International Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance; and
- (g) we have established Audit Committee, Remuneration and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Code of Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules. The majority of the members of the aforementioned committees are independent non-executive Directors.

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 Shareholders and/or Directors to protect the minority Shareholders' rights after [REDACTED].