OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders includes Mr. Tong and Xuanyuan Yuanding No. 6 Fund. Pursuant to the concert party agreement entered into between them, Xuanyuan Yuanding No. 6 Fund agrees to follow Mr. Tong's voting decisions when exercising its voting rights. Accordingly Mr. Tong and Xuanyuan Yuanding No. 6 Fund constituted our Single Largest Group of Shareholders.

As of the Latest Practicable Date, our Single Largest Group of Shareholders was able to exercise approximately 13.69% of the voting rights in our Company, comprising (i) 87,201,416 Shares, representing approximately 11.97% of the issued share capital of our Company, held directly by Mr. Tong, and (ii) 12,511,000 Shares, representing approximately 1.72% of the issued share capital of our Company, held by Xuanyuan Yuanding No. 6 Fund, which is a private equity investment fund managed by Xuan Yuan Investment and whose sole beneficial owner is Mr. Tong.

Pursuant to the PRC Company Law and related regulations promulgated by the CSRC, Mr. Tong is our controlling Shareholder and *de facto* controller. Pursuant to the Hong Kong Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants, Mr. Tong and Xuanyuan Yuanding No. 6 Fund constitute our Single Largest Group of Shareholders, holding in aggregate approximately 13.69% of the voting rights in our Company as of the Latest Practicable Date.

Immediately upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), the Single Largest Group of Shareholders will be entitled to exercise approximately [**REDACTED**]% voting rights in our Company. Therefore, the Single Largest Group of Shareholders will continue to be our Single Largest Group of Shareholders for the purpose of the Hong Kong Listing Rules and our Company will not have any controlling shareholder as defined under the Hong Kong Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently of our Single Largest Group of Shareholders and their close associates after the [**REDACTED**], taking into consideration of the factors below.

Management Independence

We are able to conduct our business independently from the Single Largest Group of Shareholders from a management perspective. Our Board comprises eight Directors, including two executive Directors, two non-executive Directors and four independent non-executive Directors. Save and except for Mr. Tong, none of our Directors or members of our senior management serves as a director or member of senior management in our Single Largest Group of Shareholders and their close associates (other than members of our Group).

We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders for the following considerations:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of 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;

(b) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. Save for Mr. Tong, none of the other Directors or senior management of our Company are members of the Single Largest Group of Shareholders, their close associates or hold any position in the Single Largest Group of Shareholders. For details of the industry experience of our Directors and senior management, see "Directors and Senior Management";

(c) we have appointed four independent non-executive Directors, who have sufficient knowledge, experience and competence with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) as an A Share listed company, we have formulated and adopted a comprehensive internal control system and have adopted 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 further details, see "— Corporate Governance Measures".

In light of the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole.

Operational Independence

We do not rely on the Single Largest Group of Shareholders and their close associates for our operations. We have full rights to make all decisions on, and to carry out, our own business operations independently. Our Company has established its own dedicated departments specializing in operations, research and development, administration, finance, information technology, sales and marketing, human resources and legal and compliance. These departments have been operating independently and are expected to continue functioning separately from the Single Largest Group of Shareholders and their close associates. We hold all the requisite licenses, intellectual property rights and qualifications that are material to carry on our principal business. We also have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Single Largest Group of Shareholders and their close associates.

Based on the above, our Directors believe that we will be able to operate independently from our Single Largest Group of Shareholders and their close associates.

Financial Independence

We have established and maintained an independent financial system that operates autonomously. We make financial decisions according to our own business needs and neither our Single Largest Group of Shareholders nor their close associates intervene with our use of funds. We have established an independent finance department with a team of financial staff who are entirely independent of the Single Largest Group of Shareholders and their close associates. The finance department is responsible for financial control, accounting, financial reporting, group credit management and internal control. As of the Latest Practicable Date, none of our finance staff were employed by the Single Largest Group of Shareholders or their close associates, ensuring impartiality and independence in financial management.

We have also implemented an independent audit, accounting and financial management system. We manage our bank accounts independently, without sharing any accounts with the Single Largest Group of Shareholders or their close associates.

As of September 30, 2025, our Group had bank and other borrowings amounting to RMB432.4 million. All of the bank borrowings were guaranteed by Mr. Tong, our executive Director and a member of our Single Largest Group of Shareholders, either individually or together with Dr. Ni. For further details regarding our borrowings, see "Financial Information — Indebtedness — Bank and Other Borrowings" and Note 26 to the Accountants' Report in Appendix I to this document. In addition to these guarantees, Mr. Tong has also provided share pledge over certain of his shares in our Company to secure our borrowings.

Our Directors confirm that the guarantees and share pledges provided by Mr. Tong, either individually or together with Dr. Ni, are expected to be released and replaced by new independent loans prior to [**REDACTED**].

While early discharge of these guarantees is possible, it is not deemed in the best interests of our Group and its Shareholders, as it would incur unnecessary costs, time and expenses to refinance these loans before their respective maturity dates. Notwithstanding the above, we believe our Group is financially independent of the Single Largest Shareholders and their close associates for several reasons:

(i) as of the Latest Practicable Date, independent commercial bank has committed to providing binding credit facilities of approximately RMB100 million without requiring any guarantees from the Single Largest Shareholders or their close associates, reflecting market confidence in our Company's creditworthiness;

(ii) as of the Latest Practicable Date, our Company had obtained consent letters from the lending banks to release RMB323.3 million in loans secured by guarantees or share pledges prior to [**REDACTED**];

(iii) the credit facilities obtained with guarantees from the Single Largest Shareholder and/or their close associate were on normal commercial terms, with no preferential interest rates or conditions. It is noted that in the PRC, it is common practice for commercial banks to require personal guarantees from *de facto* controllers, including those of A Share listed companies, as part of their standard lending practices. Such guarantees are considered a normal market practice and are not indicative of reliance on the Single Largest Shareholders;

(iv) our Company has a demonstrated history of raising funds independently through equity financing. We completed an A Share Listing in 2015 and conducted one private placement in 2016, collectively raising over RMB2 billion in [**REDACTED**]. These fundraising activities demonstrate our ability to attract external [**REDACTED**] and raise capital independently, without reliance on the Single Largest Group of Shareholders or their close associates;

(v) during the Track Record Period, we have not experienced any defaults in bank borrowing repayments, withdrawals of credit facilities or requests for early repayment, further demonstrating our ability to manage financial obligations independently; and

(vi) our Directors confirm replacing the guarantees provided by the Single Largest Shareholders and their close associates with corporate guarantees from our Group upon [**REDACTED**] or loan maturity,

these factors collectively confirm that our Group is capable of operating financially independent of the Single Largest Shareholders and their close associates.

Save as disclosed above, during the Track Record Period and as of the Latest Practicable Date, there are no outstanding loans or guarantees provided by, or granted to, our Single Largest Group of Shareholders.

Based on the above, our Directors believe that we are capable of carrying on our business independently of and do not place undue reliance on our Single Largest Group of Shareholders Group and their close associates after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the CG Code, which sets out principles of good corporate governance upon [**REDACTED**]. Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

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

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board 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 to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisor, valuers or legal advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Guolian Securities International Capital Market Co., Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Group of Shareholders and to protect our Shareholders' interests as a whole after the [**REDACTED**].

INTEREST IN COMPETING BUSINESS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS AND THE DIRECTORS

None of the members of our Single Largest Group of Shareholders or our Directors was, as of the Latest Practicable Date, interested in or engaged in any business, other than our Company, which, materially competes or is likely to materially compete, either directly or indirectly, with our Group's businesses and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.