OVERVIEW

As of the Latest Practicable Date, Mr. Liu was entitled to collectively control 16.22% of the voting power at the general meetings of our Company, comprising (1) 3.13% beneficially owned by Mr. Liu directly, (2) 7.90% beneficially owned by PCI Group, which was in turn owned by Mr. Liu and Hainan Huisi as to 92% and 8%, (3) 4.85% beneficially owned by Duilong PCI, which was owned by Mr. Liu and Hainan Huisi as to 95% and 5%, respectively, and (4) 0.34% beneficially owned by PCI Information, which was owned by Mr. Liu and Hainan Huisi as to 92% and 8%, respectively. Hainan Huisi is wholly owned by PCI Hong Kong, which is in turn wholly owned by Ms. Liu, the daughter of Mr. Liu. Upon the [**REDACTED**], Mr. Liu will control [**REDACTED**]% of the voting power at the general meetings of our Company, comprising (1) [**REDACTED**]% beneficially owned by Mr. Liu directly, (2) [**REDACTED**]% beneficially owned by PCI Group, (3) [**REDACTED**]% beneficially owned by Duilong PCI, and (4) [**REDACTED**]% beneficially owned by PCI Information, assuming the [**REDACTED**] is not exercised. Therefore, Mr. Liu, Ms. Liu, PCI Group, Duilong PCI, PCI Information, Hainan Huisi and PCI Hong Kong constituted as of the Latest Practicable Date and will continue to constitute upon the [**REDACTED**] the Single Largest Shareholder Group.

PCI Group is principally engaged in several businesses through its subsidiaries, including IT advisory services, software development, investment through self-financed fund, and property management. Each of Duilong PCI and PCI Information is an investment holding company controlled by Mr. Liu, and each of Hainan Huisi and PCI Hong Kong is an investment holding company wholly owned by Ms. Liu.

NON-COMPETITION UNDERTAKINGS

On March 13, 2013, Mr. Liu entered into a non-competition undertaking in favor of our Company, pursuant to which during the period from the date of executing the undertake to the day each of Mr. Liu, PCI Group, Duilong PCI and PCI Information ceases to be a member of our Single Largest Shareholder Group, Mr. Liu undertakes to, among others:

(1) Mr. Liu and such other companies/entities directly or indirectly controlled by him (except for our Company and its subsidiaries) (hereinafter referred to as the "**Companies Controlled by Mr. Liu**") will not take advantage of such controlling relationships between Mr. Liu and the Companies Controlled by Mr. Liu on one hand, and our Company on the other hand, in the operating activities that will cause harm to the legitimate rights of our Shareholders and us;

(2) Mr. Liu and the Companies Controlled by Mr. Liu will not engage in any business or activity that poses competition with or may potentially compete with our business;

(3) Mr. Liu and the Companies Controlled by Mr. Liu will not use any information made known to them by our Company or our subsidiaries to engage in or participate in any business activities that pose competition with or that may potentially compete with our business;

(4) Mr. Liu will strictly comply with the relevant laws and regulations to implement effective measures to avoid any competition with us, and he will cause the Companies Controlled by Mr. Liu and other related parties to implement effective measures to avoid any competition with us; and

(5) in the event that the Companies Controlled by Mr. Liu has a business opportunity which may compete with our Company in the future or may engage in a conflict of interest with our Company, Mr. Liu will cause the fulfilment of the preconditions for transfer of such business opportunity to us, and refer to our Company.

CONFIRMATION IN RELATION TO ANY COMPETING INTEREST

All members of our Single Largest Shareholder Group have confirmed that, as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER GROUP

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the [**REDACTED**], our Board will comprise of three executive Directors, two non-executive Directors and four independent non-executive Directors. See "Directors and Senior Management" for more information of our Directors.

Mr. Liu is an executive Director and chief executive officer of our Company. He is the chairman of PCI Group and the executive director of Duilong PCI. Ms. Chen is the chairlady of our Board, executive Director and executive president of our Company. She is a non-executive director of PCI Group. Ms. Zhang Lilian (張利連) is a non-executive Director and a non-executive director of PCI Group. Except for the above, none of the other Directors or senior management of our Company held any position in any member of the Single Largest Shareholder Group. Hence, we have sufficient Board and senior management team members who do not hold any position in and are not our Single Largest Shareholder Group and/or their respective close associates, and are with adequate relevant experience to manage our business and operations.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Single Largest Shareholder Group based on the following reasons:

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

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors 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;

(3) we have four independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies;

(4) our daily management and operations are carried out by a senior management team. Except Mr. Liu and Ms. Chen, our senior management team members are independent from our Single Largest Shareholder Group. Such senior management team members have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholder Group which would support our independent management. See "— Corporate Governance."

In light of the above, our Directors are of the view that our Company has our own management team which is capable of maintaining the independence of our Company from our Single Largest Shareholder Group and supporting the independent operation of our Group.

Operational Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on the members of our Single Largest Shareholder Group or their respective close associates. Save for certain trademarks, our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and facilities necessary to carry on our business in all material aspects. We have sufficient capital, facilities, equipment and employees to operate our business independently from the members of our Single Largest Shareholder Group and their respective close associates. We also have independent access to our customers and suppliers.

On June 14, 2022, our Company entered into a trademark licensing agreement ("**Trademark Licensing Agreement**") with PCI Group, pursuant to which, PCI Group agreed to license and allow our Company to use the registered trademarks in relation to "PCI" or "佳都" owned by PCI Group in our Group's products, services, advertisement and promotion, exhibition and other activities on an exclusive and royalty-free basis for a term of 10 years from the contract date. On August 4, 2025, in order to ensure the independence and stability of our business operations, PCI Group undertook in writing to us that our Company would be allowed to renew the Trademark Licensing Agreement upon the expiry of the 10-year term unconditionally. Considering that transfer of the relevant trademarks by PCI Group to us may incur considerable transactional costs and would be commercially inefficient and costly, and the Trademark Licensing Agreement (i) has a term of 10 years and can be renewed unconditionally as undertaken by PCI Group, (ii) is made on a royalty-free basis, and (iii) cannot be terminated by PCI Group without our prior written consent, we believe that the Trademark Licensing Agreement secures our exclusive rights (except for the entities controlled by Mr. Liu) to use the registered trademarks in our operations in a cost-efficient and sustainable manner and thus adequately protect our interests. Our Directors believe that the above Trademark Licensing Agreement with a term of more than three years can ensure the stability of our operations and is beneficial to the interests of our Shareholders as a whole. The trademarks licensing has been entered into on normal commercial terms or even better, in our ordinary and usual course of business and in the interest of our Company and our Shareholders as a whole.

Since PCI Group also uses trademarks in its own operations similar to the registered trademarks in relation to "PCI" or "佳都", we cannot assure you that PCI Group will be able to continuously maintain the reputation and value of these two brands. See "Risk Factors — Risks Relating to Our Business And Industry — We do not own "PCI" or "佳都" and related trademarks used in our business, and our business could be adversely affected if we cannot continue to use such trademarks." for details of the associated reputational risk in relation to licensing the registered trademarks from PCI Group.

We have and are expected to have transactions with PCI Group and its close associates during the Track Record Period and after the [**REDACTED**], respectively, these transactions did not and are not expected to involve significant transaction amounts and are not material to the operation and conduct of our Group's principal business. Such transactions have been and will be conducted on arm's length basis and on normal commercial terms in the ordinary and usual course of our business. Therefore, our Directors believe that these transactions do not affect our operational independence. See "Connected Transactions," "Financial Information — Material Related Party Transactions" and Note 36 to the Accountants' Report in Appendix I to this document for details of such transactions.

Based on the above, our Directors believe that we are capable of carrying on our business independently of the members of our Single Largest Shareholder Group and their close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of the members of our Single Largest Shareholder Group and their close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from the members of our Single Largest Shareholder Group and their close associates.

During the Track Record Period, we primarily financed our business operations through cash generated from our business activities and equity financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowings or guarantees from our Single Largest Shareholder Group or any of their respective close associates.

Based on the above, our Directors believe that our Group is able to operate with financial independence from the members of our Single Largest Shareholder Group and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Single Largest Shareholder Group and safeguard the interest of our Shareholders, including:

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

(2) our Company has established internal control mechanism to identify connected transactions. After the [**REDACTED**], our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Rainbow Capital (HK) Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the Audit committee, the Remuneration and Appraisal committee and the Nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) Mr. Liu has entered into the non-competition undertaking and our Single Largest Shareholder Group will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the members of our Single Largest Shareholder Group and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.