OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Zhang controlled approximately 25.22% of the voting rights of our Company through Ganzhou Hesheng and Ganzhou Heyi, which held approximately 21.29% and 3.92% of our Shares, respectively. Ms. Guo, being Dr. Zhang's spouse, controlled approximately 21.29% of the voting rights of our Company through Hong Kong Hemay. Accordingly, Dr. Zhang and Ms. Guo collectively controlled approximately 46.51% of the voting rights of our Company, and together with Ganzhou Hesheng, Hong Kong Hemay and its holding companies, and Ganzhou Heyi, are our Controlling Shareholders.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), (i) Dr. Zhang will control approximately [**REDACTED**]% of the voting rights of our Company through Ganzhou Hesheng and Ganzhou Heyi; and (ii) Ms. Guo will control approximately [**REDACTED**]% of the voting rights of our Company through Hong Kong Hemay. Accordingly, Dr. Zhang and Ms. Guo will collectively control approximately [**REDACTED**]% of the voting rights of our Company, and together with Ganzhou Hesheng, Hong Kong Hemay and its holding companies, and Ganzhou Heyi, will continue to be our Controlling Shareholders.

Dr. Zhang is also our founder, chairman of our Board, general manager and executive Director. For further information of Dr. Zhang, see "Directors, Supervisors and Senior Management — Board of Directors." Ganzhou Hesheng and Hong Kong Hemay are investment holding vehicles with no substantive business activities, while Ganzhou Heyi serves as our employee shareholding platform. For details, see "History, Development and Corporate Structure — Employee Shareholding Platform."

Acting in Concert Agreement

In September 2023, Dr. Zhang and Ms. Guo entered into the acting in concert agreement (the "**Acting in Concert Agreement**"), in which they confirmed that they have been acting in concert previously, and undertook that they will be parties acting-in-concert in relation to voting for corporate matters of each of our Company and its subsidiaries from time to time. Dr. Zhang and Ms. Guo further confirmed that, in respect of any shareholders' resolution, the opinion of Dr. Zhang shall be the final voting opinion amongst them; and the Acting in Concert Agreement shall not be amended or terminated unless mutually agreed in writing by all parties.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders after the [**REDACTED**].

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own independent departments to support the operations and management of our current business. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our product. We hold the licenses and qualifications necessary to carry on our current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders and their close associates. We have access to suppliers independently from and not connected to our Controlling Shareholders and their close associates.

Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises seven Directors, including three executive Directors, a non-executive Director and three independent non-executive Directors. Our Board has a balanced composition with a majority of non-executive Directors including independent non-executive Directors not associated with our Controlling Shareholders and their close associates.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. In the event that there is a potential conflict of interest arising out of any transactions to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on the relevant Board meeting in respect of such transactions and shall not be counted in the quorum. Further, we believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board. See "— Corporate Governance" for further details.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management are able to perform the managerial role in our Group independently from our Controlling Shareholders and their close associates.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function.

During the Track Record Period, Dr. Zhang and Mr. Chen, our executive Directors; and Hong Kong Hemay, our Controlling Shareholder, provided guarantees over certain loans for the benefit of our Group which were applied in our ordinary course of business. Such guarantees have been fully released as of the Latest Practicable Date.

In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates. During the Track Record Period and as of the Latest Practicable Date, we had received the [**REDACTED**] Investments from [**REDACTED**] Investors independently. For details of the [**REDACTED**] Investments, see "History, Development and Corporate Structure — [**REDACTED**] Investments."

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

1. where a Shareholders' meeting is to be held for considering proposed transactions in which any member have a material interest, any votes cast by or on behalf of such member shall not be counted;

2. our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

3. our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

4. our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

5. our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements as required by the Listing Rules;

6. where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

7. we have appointed Maxa Capital Limited as our compliance advisor to provide advice and guidance to use in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

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 to protect minority Shareholders' interests after the [**REDACTED**].