OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

On September 30, 2021, Dr. Liang and Dr. Liu Xiangdong (劉向東) ("**Dr. Liu**") entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. The voting proxy agreement between Dr. Liang and Dr. Liu became effective from the date of execution for an indefinite period until the later of (i) mutual written agreement by both parties to terminate the voting proxy agreement or (ii) the date on which Dr. Liu ceases to hold any equity interest in our Company. For details of the voting proxy agreement between Dr. Liang and Dr. Liu, see "History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (a) Voting Proxy Arrangement between Dr. Liang and Dr. Liu."

On February 1, 2021, Dr. Liang and Mr. Tang Yilong (唐亦龍) ("**Mr. Tang**") entered into an acting-in-concert agreement, pursuant to which Dr. Liang and Mr. Tang agreed to act in concert on all proposals and resolutions presented at Board meetings and Shareholders' meetings. The acting-in-concert agreement shall automatically terminate upon the [**REDACTED**]. On February 7, 2024, Dr. Liang and Mr. Tang entered into a voting proxy agreement, pursuant to which Mr. Tang voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. The voting proxy agreement became effective from the date of execution until the earlier of (i) the [**REDACTED**] or (ii) the date on which Mr. Tang ceases to hold any equity interest in our Company. For details of the acting-in-concert agreement and the voting proxy agreement between Dr. Liang and Mr. Tang, see "History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements — (b) Acting-in-concert and Voting Proxy Arrangements between Dr. Liang and Mr. Tang."

Immediately before the completion of the [**REDACTED**], Dr. Liang, both directly and indirectly (as general partner of Highlightll Enterprise Management and through voting proxy arrangements with Dr. Liu and Mr. Tang), and Mr. Tang collectively control approximately 36.99% of the voting rights in our Company. Therefore, Dr. Liang, Mr. Tang and Highlightll Enterprise Management are considered our controlling Shareholders before the [**REDACTED**] and will be subject to the applicable lock-up requirements under Rule 10.07 of the Listing Rules upon the completion of the [**REDACTED**].

Immediately following the completion of the [**REDACTED**], the acting-in-concert agreement and the voting proxy agreement between Dr. Liang and Mr. Tang will automatically terminate, and Dr. Liang, both directly and indirectly (as general partner of Highlightll Enterprise Management and through voting proxy arrangement with Dr. Liu) will continue to control approximately [**REDACTED**]% of the voting rights in our Company (assuming that the [**REDACTED**] is not exercised). Therefore, Dr. Liang and Highlightll Enterprise Management will constitute our single largest group of Shareholders upon the [**REDACTED**].

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our single largest group of Shareholders and their respective close associates after the [**REDACTED**] for the reasons set out below.

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 single largest group of Shareholders and their respective close associates. We are in possession of all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that our Group will be able to operate independently from our single largest group of Shareholders and their respective close associates after the [**REDACTED**].

Management Independence

Upon the [**REDACTED**], our Board will comprise two executive Directors, two non-executive Directors and three independent non-executive Directors, and our senior management team will comprise six members. Our executive Directors and senior management team are responsible for the daily management of our operations.

Our Directors believe that our Group will be able to function independently from our single largest group of Shareholders and their respective close associates after the [**REDACTED**] for the following reasons:

(a) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our single largest group of Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;

(b) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promoting the interests of our Company and our Shareholders as a whole;

(c) 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;

(d) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a [**REDACTED**], 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; and

(e) if 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 close associates, the interested Directors are obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Company independently from our single largest group of Shareholders and their respective close associates after the [**REDACTED**].

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance team responsible for discharging treasury functions. We are capable of obtaining financing from third parties, if necessary, without reliance on our single largest group of Shareholders or their respective close associates. As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our single largest group of Shareholders or their respective close associates to our Group.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our single largest group of Shareholders and their respective close associates after the [**REDACTED**].

CORPORATE GOVERNANCE

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 maintain good corporate governance standards and to avoid potential conflict of interest between our Group and our single largest group of Shareholders and their respective close associates:

(a) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Group enters into connected transactions with our single largest group of Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules;

(b) where a Shareholders' meeting is to be held to consider proposed transactions in which our single largest group of Shareholders or their respective close associates have any material interests, our single largest group of Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;

(c) our independent non-executive Directors will review whether there is any conflict of interest between our Group and our single largest group of Shareholders and their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) if any of our single largest group of Shareholders or Directors has a conflict of interest in a matter to be considered by our Board which our Board has determined to be material, the matter will be dealt with by a physical meeting rather than a written resolution. Additionally, our independent non-executive Directors with no material interest in the matter will be present at the relevant Board meeting;

(e) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses; and

(f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor who will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflict of interest between our Group and our single largest group of Shareholders and their respective close associates, and to protect our minority Shareholders' rights after the [**REDACTED**].