RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Our founders are Mr. Zhao and Mr. Deng. On July 31, 2023, Mr. Zhao and Mr. Deng ("**Concert Parties**") entered into an acting-in-concert agreement ("**Acting-in-Concert Agreement**"), pursuant to which they agreed to act in concert when voting on matters relating to the Company and to procure each of TOYA Enterprise Management and Shenzhen Yamei ("**Controlled Corporations**") to act in concert when voting on matters relating to the Company, among other things.

As of the Latest Practicable Date, pursuant to the Acting-in-Concert Agreement, the Concert Parties and the Controlled Corporations, are collectively and directly interested in approximately 65.40% of the Shares, whereby: (1) Mr. Zhao and Mr. Deng were collectively and directly interested in approximately 9.96% of the Shares; (2) Mr. Zhao and Mr. Deng, through their respective interests in 100% of the equity interests in TOYA Enterprise Management, were indirectly interested in approximately 45.04% of the Shares; and (3) Mr. Zhao, as the general partner of Shenzhen Yamei, was indirectly interested in approximately 10.30% of the Shares. Accordingly, Mr. Zhao, Mr. Deng, TOYA Enterprise Management and Shenzhen Yamei are considered a group of Controlling Shareholders.

Immediately following the completion the [REDACTED], our Controlling Shareholders will in aggregate hold approximately [REDACTED] of the Shares (assuming the [REDACTED] is not exercised). See "History, Development and Corporate Structure" in this document for further details.

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, they did not have any interest in other business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

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 and their close associates upon the [REDACTED].

Management Independence

Our management and operational decisions are made by our Board and senior management in a collective manner. Our Board comprises eight Directors, including five executive Directors and three independent non-executive Directors. For details, see "Directors and Senior Management" in this document.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders and their respective close associates for the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does 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 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 towards the quorum;

(ii) all members of the Board and senior management other than Mr. Zhao and Mr. Deng are independent from the Controlling Shareholders and their respective close associates. They have substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable them to discharge their duties independently from the Controlling Shareholders;

(iii) we have appointed three independent non-executive Directors, comprising more than one third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to safeguard the interests of our Company and the Shareholders as a whole; and

(iv) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance" below for details.

Based on the above, our Directors believe that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in us after the [REDACTED], we have full rights to make all decisions on, and to carry out, our own business operations independently. We also have independent access to our suppliers and customers. Furthermore, we are in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business independently.

Based on the above, our Directors believe that we will be able to operate independently of our Controlling Shareholders and their respective close associates after the [REDACTED].

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We also have our own internal control and accounting systems and finance department for discharging the treasury function, which are all independent from our Controlling Shareholders and their respective close associates. We do not expect to rely on our Controlling Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the [REDACTED] from the [REDACTED].

There was no outstanding loans or guarantees or other financial assistance provided by, or granted to, our Controlling Shareholders or their associates as of the Latest Practicable Date. We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates and we received a series of Pre-[REDACTED] Investments from Independent Third Party investors as of the Latest Practicable Date. For details of the Pre-[REDACTED] Investments, see "History, Development and Corporate Structure — Pre-[REDACTED] Investments".

Based on the above, our Directors believe that we are able to conduct our business independently from our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their respective close associates.

CORPORATE GOVERNANCE

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their close associates:

(i) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon the [REDACTED]. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) where a transaction or arrangement of our Company is subject to Shareholders' approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;

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

(iv) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors and Senior Management — Directors — Independent non-executive Directors"; and

(v) we have appointed Somerley Capital Limited as our Compliance Adviser, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

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