OVERVIEW

As of the Latest Practicable Date, Mr. Zhang and Mr. Yang, who were acting in concert in relation to material matters concerning our Company, directly held 27,429,300 Shares and 17,492,760 Shares, respectively. Accordingly, they were collectively entitled to exercise approximately 34.53% of the voting rights attached to the issued share capital of our Company.

Immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to the Pre-**[REDACTED]** Share Incentive Scheme), Mr. Zhang and Mr. Yang will be collectively entitled to exercise approximately **[REDACTED]**% of the voting rights attached to the issued share capital of our Company. Therefore, Mr. Zhang and Mr. Yang are considered to be our Single Largest Group of Shareholders following completion of the **[REDACTED]**.

For further details of the acting-in-concert arrangement between Mr. Zhang and Mr. Yang, see "History, Development and Corporate Structure — Our Single Largest Group of Shareholders and Acting-in-Concert Arrangement" of this document.

COMPETITION

As of the Latest Practicable Date, none of the members of our Single Largest Group of Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR BUSINESS

We believe that we are capable of carrying on our business independently from the Single Largest Group of Shareholders and/or their respective close associates upon the **[REDACTED]** for the following reasons:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the **[REDACTED]**, our Board will consist of nine Directors comprising six executive Directors and three independent non-executive Directors. For the biographies of our Directors and senior management, see "Directors and Senior Management" of this document.

Notwithstanding the roles of Mr. Zhang and Mr. Yang as our executive Directors, our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(i) our Directors are aware of their fiduciary duties as Directors, which require, among other things, that they act for the benefits and in the interests of our Company and all our Shareholders as a whole and do not allow any conflict between their duties as a Director and their personal interests;

(ii) our daily management and operations are carried out by our Directors and senior management members, each of whom has 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 interests of our Group;

(iii) our Directors acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decision unless authorized by the Board;

(iv) our Board has a balanced composition of executive and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors account for one-third of the Board. All of our three independent non-executive Directors are independent from our Single Largest Group of Shareholders and have extensive experience in their respective areas of expertise. All independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules, and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of our Board are made only after the due consideration of independent and impartial opinions;

(v) 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 Director(s) and/or their respective associates, the interested Director(s) is/are required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions and shall abstain from voting at the relevant meeting in accordance with the Listing Rules and our Articles of Association; and

(vi) we 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. See "— Corporate Governance Measures" in this section for further information.

Based on 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. Our Board together with our senior management are able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders.

Operational Independence

We possess all requisite technologies, qualifications and approvals for conducting our business. We are able to conduct our Group's business independently, with the independent mechanism to make operational decisions and implement such decisions independently from our Single Largest Group of Shareholders.

More specifically, we have independent access to customers and suppliers and, therefore, are not dependent on our Single Largest Group of Shareholders for generating revenue and/or conducting, manufacturing, R&D, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Single Largest Group of Shareholders. We have an established organizational structure comprising various separate departments, each in charge of specific responsibilities, such as administration, finance, internal audit, R&D, sales and marketing, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Group of Shareholders.

Financial Independence

Our Company has its own team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Single Largest Group of Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with any member of our Single Largest Group of Shareholders. Our Company makes tax registration and pays tax independently with our own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently from our Single Largest Group of Shareholders and their respective close associates.

As of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, our Single Largest Group of Shareholders or their respective close associates.

Based on the above, our Directors believe that our Company is financially independent from, and does not place undue reliance on, our Single Largest Group of Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Single Largest Group of Shareholders:

(i) under our Articles of Association, where our Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to vote only for or only against any particular resolution of our Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;

(ii) 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 Listing Rules;

(iii) our Board will consist of a balanced composition with not less than one-third of independent non-executive Directors, 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. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders;

(iv) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts 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;

(v) our management members will provide our independent non-executive Directors with all relevant financial, operational and market and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(vi) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and/or annual reports or by way of announcements as required by the Listing Rules;

(vii) 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 expense;

(viii) we have appointed Zero2IPO Capital 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; and

(ix) we have established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee with written terms of reference in compliance with applicable laws and regulations, and the Listing Rules including but not limited to Appendix C1.

Based on the above, our Directors are satisfied 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 minority Shareholders' interests after the **[REDACTED]**.