OUR SINGLE LARGEST SHAREHOLDER GROUP

As of the Latest Practicable Date, Mr. Chow controlled approximately 18.49% of the total issued share capital of our Company comprising indirect interest of approximately 18.44% held by Best Alliance, which is wholly-owned by Mr. Chow, and 0.05% held by Best Alliance through its client account with a financial institution.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Chow will, through Best Alliance, control an aggregate of approximately **[REDACTED]**% of the total issued share capital of the Company. As such, Mr. Chow and Best Alliance will together constitute our Single Largest Shareholder Group upon **[REDACTED]** under the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Shareholder Group and their close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by the Board and our senior management. Upon **[REDACTED]**, the Board will consist of seven Directors comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management". Our Directors consider that the Board and senior management are capable of functioning independently of our Single Largest Shareholder Group for the following reasons:

(a) our daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which we are engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(b) each Director is aware of her/his fiduciary duties as a director which require, among other things, that she/he must act for the benefit and in the interest of our Group and the Shareholders as a whole, and not allow any conflict between her/his duties as a Director and her/his personal interests;

(c) we have three independent non-executive Directors who individually and collectively possess requisite knowledge and experience, and will be able to provide professional advice to our Group. Our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of the Board and protect the interest of our Group and our Shareholders as a whole;

(d) as an A-Share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the PRC laws and regulations and rules of the ChiNext of the Shenzhen Stock Exchange. Our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which she/he or any of her/his close associates have a material interest and shall not be counted in the quorum present at the particular Board meeting; and

(e) 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 Measures" in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform their managerial roles in our Group independently, and our Directors are of the view that we are capable of managing our business independently from our Single Largest Shareholder Group and their respective close associates after the **[REDACTED]**.

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Single Largest Shareholder Group. On the basis of the following reasons, our Directors consider that we will continue to be operationally independent from our Single Largest Shareholder Group and their respective close associates after the **[REDACTED]**

(a) we have sufficient capital, facilities, equipment and employees to operate our business independently from our Single Largest Shareholder Group;

(b) we have independent access to our customers and suppliers and a dedicated management team independently handling our day-to-day operations;

(c) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and

(d) none of the member of our Single Largest Shareholder Group have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Shareholder Group and their respective close associates.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the financial management, accounting, reporting and funding functions of our Group. We are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Shareholder Group and their respective close associates.

As of the Latest Practicable Date, there were no outstanding loans granted or guaranteed by our Single Largest Shareholder Group or their respective associates to facilitate our financing.

Based on the above, our Directors believe that we are capable of carrying on our business independently from, and do not place undue reliance on, our Single Largest Shareholder Group and their respective associates after the **[REDACTED]**.

INTERESTS OF OUR SINGLE LARGEST SHAREHOLDER GROUP IN OTHER BUSINESSES

Each of our Single Largest Shareholder Group confirmed that as of the Latest Practicable Date, apart from the business of our Group, it/he/she did not have any interest in other business, 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.

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. Our Board comprises a balanced mix of executive Directors and independent non-executive Directors, who collectively possess the necessary competence, experience, and expertise in corporate governance matters to ensure effective oversight and decision-making. We have adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Single Largest Shareholder Group and their respective associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholder Group and/or their respective associates have a material interest, the relevant member of our Single Largest Shareholder Group and/or their respective associates will not vote on the relevant resolutions;

(b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(c) we have established internal control mechanisms to identify connected transactions and related party transactions. Upon the **[REDACTED]**, if we enter into connected transactions or related party transactions with our Single Largest Shareholder Group or any of their associates, we will comply with the applicable laws and regulations, including the Hong Kong Listing Rules;

(d) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Single Largest Shareholder Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(e) we will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by applicable laws and regulations, including the Hong Kong Listing Rules;

(f) 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 expense;

(g) we have appointed Guosen Securities (HK) Capital Company 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 Hong Kong Listing Rules, including various requirements relating to corporate governance; and

(h) we have established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and Strategy Committee with written terms of reference in compliance with the Hong Kong Listing Rules and the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules (where applicable).

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 Shareholder Group, and to protect our minority Shareholders' interests after the **[REDACTED]**.