OVERVIEW

As of the Latest Practicable Date, the Company was held as to approximately (i) 11.10% by Mr. Wong Ching Chung, (ii) 10.85% by Mr. Wang Yiran, (iii) 10.77% by Mr. Sun Yonghui, (iv) 5.29% by Ms. Yu Wei, (v) 4.95% by Mr. Zhou Kaiqi, and (vi) 3.90% by Mr. You Tianyuan. For a simplified corporate structure chart of the Group before the [**REDACTED**], see "History, Development and Corporate Structure" in this Document.

In order to improve the efficiency of Shareholders' decision-making process, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into the Acting-in-Concert Agreement on June 2, 2011, pursuant to which, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan had agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board. Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into a supplemental agreement to the Acting-in-Concert Agreement on January 5, 2012 to further confirm the acting-in-concert arrangement under the Acting-in-Concert Agreement and further renewed the Acting-in-Concert Agreement on January 17, 2022 and January 16, 2025, respectively. Pursuant to the renewed Acting-in-Concert Agreement dated January 16, 2025, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board until January 15, 2028. Accordingly, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will collectively control in aggregate approximately [**REDACTED**]% of the total issued share capital of the Company and be entitled to exercise more than 30% of the voting power at general meetings of the Company. Therefore, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will together constitute a group of the Controlling Shareholders under the Hong Kong Listing Rules upon the [**REDACTED**].

INTEREST IN COMPETING BUSINESS

Each of the Controlling Shareholders confirms that he/she had no interest in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules as of the Latest Practicable Date.

NON-COMPETITION UNDERTAKING

Each of the Controlling Shareholders has provided a non-competition undertaking to the Company, pursuant to which each of the Controlling Shareholders has undertaken that, among others:

(i) each of the Controlling Shareholders and other enterprises controlled by them will not directly or indirectly actually engage in any business activity in any way that competes with the business of the Group within the same industry; and if there is such business, the revenues generated therefrom shall belong to the Company;

(ii) each of the Controlling Shareholders will not actually engage in any business or activity in any way that may have an adverse impact on the operation and development of the Group;

(iii) if in the future there is a situation where the business actually engaged in by a wholly-owned, controlling or associate enterprise of any of the Controlling Shareholders constitutes competition with the Group, he/she agrees to consolidate such business to the operations of the Company through effective ways to eliminate the situation of competition within the same industry; and the Company shall have the right to require him/her to transfer part or all of the equity interests or shares in such enterprise at any time, and he/she shall grant the Company the preemptive right to purchase such equity interests or shares in such business and shall make best effort to procure that the consideration of the relevant transaction is fair and reasonable;

(iv) if any of the Controlling Shareholders obtains a business opportunity from a third party that falls within the scope of the principal business of the Group, he/she will promptly inform the Group of such opportunity and will, to the extent possible, assist the Group in obtaining such business opportunity; and

(v) if any of the Controlling Shareholders fails to fulfill the above undertakings, he/she would compensate the Company for any economic losses suffered as a result thereof.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

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

Management Independence

The Group's business is managed and conducted by the Board and senior management. Upon the [**REDACTED**], the Board will consist of ten Directors comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. For more information, see "Directors and Senior Management." The Directors consider that the Board and senior management of the Company are capable of functioning independently of the Controlling Shareholders for the following reasons:

(i) the Group's daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which the Company is engaged as detailed in "Directors and Senior Management," and will therefore be able to make business decisions that are in the best interest of the Group;

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

(iii) the Company has four independent non-executive Directors and its independent non-executive Directors individually and collectively possess the requisite knowledge and experience, and all of them will be able to provide professional and experienced advice to the Company. In conclusion, the Directors believe that the 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 the Company and the Shareholders as a whole;

(iv) as an A-share listed company, the Company has formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shenzhen Stock Exchange. The Directors shall not vote in any resolution in respect of any contract or arrangement or any other proposal in which he/she has a material interest. Hence, none of the Directors will be able to influence the Board in making decisions on matters in which he or she is, or may be interested; and

(v) the Company has adopted a series of corporate governance measures to manage conflicts of interest, if any, between the Group and the Controlling Shareholders which would support the Group's independent management. See " — Corporate Governance Measures" in this section for further information.

Based on the above, the Directors are satisfied that they are able to perform their managerial roles in the Company independently, and the Directors are of the view that the Group is capable of managing its business independently from the Controlling Shareholders after the [**REDACTED**].

Operational Independence

The Group has full rights to make business decisions and to carry out its business independently from the Controlling Shareholders. The Directors consider that the Company will continue to be operationally independent from the Controlling Shareholders after the [**REDACTED**] on the following grounds:

(i) the Group has sufficient capital, facilities, equipment and employees to operate its business independently from the Controlling Shareholders;

(ii) the Group has independent access to its customers and suppliers;

(iii) the Group has its own administrative and corporate governance infrastructure, including its own accounting, legal and human resources departments; and

(iv) none of the Controlling Shareholders had any interests in any business which competes or is likely to compete with the business of the Group which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules as of the Latest Practicable Date.

Based on the above, the Directors believe that the Group is able to operate independently from the Controlling Shareholders.

Financial Independence

The Group has independent internal control and accounting systems. The Group also has an independent finance department responsible for discharging the financial management, accounting, reporting, funding and treasury function of the Group. The Group is capable of obtaining financing from third parties, if necessary, without reliance on the Controlling Shareholders.

As of the Latest Practicable Date, the Group did not have any outstanding loans granted or guaranteed by any of the Controlling Shareholders.

Based on the above, the Directors are of the view that the Group is capable of carrying on its business independently from, and do not place undue reliance on, the Controlling Shareholders after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

The Company and the Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of the minority Shareholders.

The Company has adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Controlling Shareholders:

(i) where a Board meeting is to be held for considering matters in which any Director or his/her associates have a material interest, the relevant Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective close associates have a material interest, the relevant Controlling Shareholder(s) or close associate(s) will not vote on the relevant resolutions;

(iii) the Company has established internal control mechanisms to identify connected transactions and related party transactions. Upon the [**REDACTED**], if the Company enters into connected transactions or related party transactions with the Controlling Shareholders or any of their close associates, the Company will comply with the applicable laws and regulations, including the Hong Kong Listing Rules;

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

(v) the Company 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;

(vi) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expense;

(vii) the Company has appointed Somerley Capital Limited as the Compliance Advisor to provide advice and guidance to the Company 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

(viii) the Company has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and ESG 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, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between the Group and the Controlling Shareholders, and to protect the minority Shareholders' interests after the [**REDACTED**].