

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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On January 1, 2022, Mr. Liu, Ms. Xu, Little Swan Lake, Little Swan Ballet and Future Life Investment entered into an acting-in-concert agreement (the “**2022 AIC Agreement**”), pursuant to which the parties agreed that from the date of the 2022 AIC Agreement until the execution of a separate agreement to terminate this agreement, among other things, (i) agreed to act in concert on all proposals and resolutions presented at Board meetings and Shareholders’ meetings; and (ii) undertook to follow the instructions of Mr. Liu in relation to convening meetings, submitting proposals and exercising voting rights at such meetings. On November 28, 2025, the parties entered into a supplemental acting-in-concert agreement which supersedes the 2022 AIC Agreement, pursuant to which Little Swan Lake ceased to be a party acting in concert with Mr. Liu and all other terms of the 2022 AIC Agreement remained unchanged. Ms. Xu, Future Life Investment and Little Swan Ballet remained to be parties acting in concert with Mr. Liu. For details of the acting-in-concert arrangements among Mr. Liu, Ms. Xu, Little Swan Ballet and Future Life Investment, see “History, Development and Corporate Structure – Acting-in-concert Arrangements” of this document.

Accordingly, as of the Latest Practicable Date, Mr. Liu, Ms. Xu, Little Swan Ballet and Future Life Investment, by virtue of the acting-in-concert arrangements, are entitled to exercise or control the exercise of an aggregate of approximately 85.94% voting rights at the general meeting of our Company, and are considered to be a group of our Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no additional Shares are issued under the Share Option Schemes), our Controlling Shareholders will be entitled to exercise or control the exercise of an aggregate of approximately [REDACTED]% voting rights at the general meeting of our Company, and therefore remain as a group of Controlling Shareholders of our Company under the Listing Rules.

Mr. Liu is the founder, chairman of our Board, executive Director, general manager of our Company. For details of the background of Mr. Liu, see “Directors and Senior Management” of this document. Ms. Xu is the spouse of Mr. Liu.

Little Swan Ballet is one of our Employee Incentive Platforms, with Mr. Liu acting as its general partner. Future Life Investment primarily engages in investment holding. As of the Latest Practicable Date, Future Life Investment is owned as to approximately 85.71% by Mr. Liu and approximately 14.29% by Ms. Xu.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders confirmed that as of the Latest Practicable Date, none of our Controlling 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 FROM OUR CONTROLLING SHAREHOLDERS

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

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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 Controlling 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 Controlling Shareholders and their respective close associates after the [REDACTED].

Management Independence

Upon the [REDACTED], our Board will comprise two executive Directors, one non-executive Director and three independent non-executive Directors, and our senior management team will comprise three 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 Controlling 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 Director and independent non-executive Directors. Our independent non-executive Directors are not associated with our Controlling 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 promote 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] issuer, 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.

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Based on the above, our Directors believe that they and senior management as a whole will be able to perform the managerial roles in our Company independently from our Controlling 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 Controlling Shareholders or their respective close associates. We have made tax filings and paid tax independently from our Controlling Shareholders and their close associates pursuant to applicable laws and regulations.

During the Track Record Period, our Controlling Shareholders and their close associates had provided guarantees in respect of certain bank facilities granted to us by commercial banks. As of the Latest Practicable Date, all such guarantees provided by our Controlling Shareholders and their close associates had been released or would be fully released upon [REDACTED] pursuant to the agreements entered into between the Company and the relevant commercial banks. As of the Latest Practicable Date, save as disclosed above, the Controlling Shareholders and their respective close associates did not provide any loans, guarantees or pledges to our Group, and our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders and their respective associates.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our Controlling 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 Controlling 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 Controlling 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 Controlling Shareholders or their respective close associates have any material interests, our Controlling 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 Controlling Shareholders and their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

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- (d) if any of our Controlling 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 Controlling Shareholders and their respective close associates, and to protect our minority Shareholders’ rights after the [REDACTED].