

## RELATIONSHIP WITH THE CONTROLLING SHAREHOLDER

### OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, our Controlling Shareholder was Mr. Zhang, who directly held approximately 45.27% of our total share capital. Immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised, Mr. Zhang will directly hold approximately [REDACTED]% of our total issued Shares. Accordingly, Mr. Zhang will remain as our Controlling Shareholder upon the completion of the [REDACTED]. See “History, Development and Corporate Structure — Our Shareholding and Corporate Structure” in this Document for details.

### INTEREST IN COMPETING BUSINESS

Mr. Zhang confirmed that as of the Latest Practicable Date, apart from the business of our Group, he 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.

### NON-COMPETITION UNDERTAKING

Our Controlling Shareholder confirms that he does not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

For the purpose of the listing of our A Shares on the ChiNext of SZSE in July 2024 and in order to avoid any potential competition between Mr. Zhang and our Group, Mr. Zhang entered into a non-competition undertaking (the “**Non-competition Undertaking**”) in favor of our Company on March 29, 2022, pursuant to which he has undertaken, among others, that:

- (i) neither he nor his close associates, at the moment entering into the Non-competition Undertaking, produced or developed any products that compete or potentially compete with the products produced by our Group; nor did he directly or indirectly operate any business that competes or potentially competes with the existing business of the Group; nor has he invested in or held positions in any other enterprise that competes or potentially competes with the existing business and products of the Group;
- (ii) neither he nor his close associates would produce or develop any products that compete or potentially compete with the products produced by the Group; would not directly or indirectly operate any business that competes or potentially competes with the business operations of the Company and its subsidiaries; nor would he invest in or hold positions in any other enterprise that competes or potentially competes with the products or business operations of the Group;
- (iii) If the Group further expands its product and business scope in the future, and the expanded products and business scope compete with him and his close associates in terms of products or business, then he and his close associates would actively take one or more of the following measures to avoid competition:
  - (a) stop producing products that are subject to competition or potential competition;
  - (b) cease operating businesses that are competing or potentially competing with each other;

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- (c) incorporating businesses that are competing or potentially competing into the Group; or
  - (d) transferring competing or potentially competing businesses to an Independent Third Party with no affiliation; and
- (iv) the Non-competition Undertaking shall take effect from the date of signing and shall remain valid and irrevocable during the time he remains as the Controlling Shareholder. If the interests of the Group, or the rights and interests of the Shareholder, are damaged due to a breach of the Non-competition Undertaking, he should bear the corresponding liability for damages.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Taking into consideration the following factors, our Directors are of the view that our Group can conduct our business independently from our Controlling Shareholder after the [REDACTED].

#### Operational Independence

Our Group has established and maintained an independent and complete organizational structure, with clearly defined responsibilities allocated among various functional departments, including product research and development, supply chain management, manufacturing operations, sales and marketing, financial management, administration and human resources, legal and compliance, procurement, information systems and quality control.

We have our own full-time management team and employees who are responsible for the daily operation, management and administration of our Group. The support functions, including accounting, finance, legal, compliance, HR, R&D and logistics, are fully staffed by personnel employed by our Group and are not shared with our Controlling Shareholder or their respective close associates.

We have independent access to suppliers and customers and negotiate commercial terms on an arm’s-length basis without reliance on our Controlling Shareholder. Our Group possesses the material assets, licenses, qualifications, trademarks, software copyrights, patents and other intellectual property necessary to operate our business. We also have sufficient capital resources, production capacity and employees to conduct our operations independently.

We have adopted internal control procedures and corporate governance measures to ensure independent decision-making and effective operation. For details, please refer to “— Corporate Governance Measures.”

Based on the above, our Directors are satisfied that our Group is able to operate independently from our Controlling Shareholder and their respective close associates.

#### Management Independence

Upon [REDACTED], our Board will consist of executive Directors and independent non-executive Directors in compliance with the Listing Rules, with more than one-third of the Board comprising independent non-executive Directors.

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Our Directors believe that our Group’s management and decision-making processes are independent for the following reasons:

- (i) Each Director is fully aware of his/her fiduciary duties, which require acting in the best interests of the Company and not allowing personal interests to conflict with the Company’s interests.
- (ii) The day-to-day operations are managed by a senior management team with substantial industry experience in consumer technology products, supply chain management, R&D and global brand operation. Except for roles held in companies within the Group, none of the senior management members hold directorships or management positions in entities owned or controlled by our Controlling Shareholder.
- (iii) Board decisions require approval by a majority vote, and independent non-executive Directors, who have no association with our Controlling Shareholder, are able to exercise independent judgment and provide professional advice.
- (iv) In the event of any potential conflict of interest, the Director who has such interest must disclose it, abstain from voting on the relevant resolution, and shall not be counted towards the quorum for the meeting.

Based on the above, our Directors believe that our Board and senior management are able to perform their roles independently from our Controlling Shareholder.

### Financial Independence

Our Group has established an independent and well-functioning financial and accounting system. We have:

- our own finance department staffed with qualified personnel responsible for financial reporting, budgeting, accounting, treasury and internal control;
- an audit committee comprised solely of independent non-executive Directors to oversee accounting and financial reporting processes;
- independent bank accounts opened in the name of the Group without sharing any bank accounts with our Controlling Shareholder;
- independent tax filings and tax payments made by our Group under applicable laws and regulations; and
- internal control policies that ensure financial decisions are made based on our Group’s own business needs.

We have maintained access to financing from banks and independent third parties on normal commercial terms. We do not rely on guarantees, loans or other financial assistance from our Controlling Shareholder.

As of the Latest Practicable Date, there were no loans, advances, guarantees or pledges provided by our Controlling Shareholder or his close associates for the benefit of our Group, and our Group had not provided any loans, guarantees or pledges to our Controlling Shareholder or his close associates.

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Based on the above, our Directors are satisfied that we are financially independent from our Controlling Shareholder.

### Corporate Governance Measures

To safeguard the interests of our Shareholders, in particular minority Shareholders, and to manage potential conflicts of interest between our Group and our Controlling Shareholder, we have adopted the following corporate governance measures:

- A Director with a material interest in a proposed Board resolution must abstain from voting and will not be counted towards the quorum.
- If matters requiring Shareholders’ approval involve a material interest of any Controlling Shareholder or his/her close associates, such Controlling Shareholder(s) shall abstain from voting.
- Upon [REDACTED], any continuing or one-off connected transactions with our Controlling Shareholder or his close associates will comply with Chapter 14A of the Listing Rules.
- Independent non-executive Directors will review potential conflicts of interest annually and provide independent judgment on Board decisions.
- Where necessary, our Directors (including independent non-executive Directors) may seek advice from external legal, financial or professional advisors at the Company’s expense.
- We have appointed a compliance advisor to advise on compliance with the Listing Rules, directors’ duties and corporate governance matters during the relevant period after [REDACTED].

Based on the above, our Directors believe that sufficient corporate governance measures have been implemented to manage potential conflicts of interest and ensure independent decision-making after [REDACTED].