
RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen, chairman of the Board, an executive Director, chief executive officer, and president of our Company, was entitled to exercise voting rights in our Company in respect of (i) approximately 27.97% of our total issued Shares directly held by him and (ii) approximately 7.77% of our total issued Shares directly held by Jiangyin Puyuan, of which Dr. Chen was the executive and general partner. Pursuant to the partnership agreement of Jiangyin Puyuan, all management power and voting rights of Jiangyin Puyuan reside with its executive and general partner, Dr. Chen. As such, Dr. Chen (directly and indirectly through Jiangyin Puyuan) controlled approximately [35.74]% of the total issued share capital of our Company, and had, together with Jiangyin Puyuan, formed a group of controlling shareholders of the Company, prior to the completion of the [REDACTED]. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision), Dr. Chen (directly and indirectly through Jiangyin Puyuan) will continue to control approximately [REDACTED]% of the total issued share capital of our Company. Dr. Chen and Jiangyin Puyuan will be our Single Largest Group of Shareholders upon [REDACTED].

INTEREST IN COMPETING BUSINESS

Our Single Largest Group of Shareholders confirm that, as of the Latest Practicable Date, none of them was interested in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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

Operational Independence

Our Group is operationally independent of our Single Largest Group of Shareholders and their respective close associates. We can make decisions and carry out our own business operations independently. We have sufficient capital, facilities, technology and employees to operate our business independently. We hold or enjoy the benefits of all relevant licenses and intellectual properties necessary to operate our business. We own or have the right to use all the operational facilities relating to our business. We have our own organizational structure made up of individual functional departments, each with specific areas of responsibilities. We have not shared any operational resources such as sales and marketing, risk management and general administration resources with our Single Largest Group of Shareholders or their respective close associates. We have also established a set of internal control procedures to facilitate the effective operation of our business. We independently manage and have independent access to our customers and suppliers. We have no business relationship or any arrangement with our Single Largest Group of Shareholders.

Based on the above, our Directors believe that our Group will be able to operate independently from our Single Largest Group of Shareholders and their respective close associates.

Management Independence

Upon the [REDACTED], our Board will comprise 6 executive Directors, and 3 independent non-executive Directors, and our senior management team will comprise 5 members. Our executive Directors and senior management team are responsible for the daily management of our operations. See “Directors and Senior Management” for more details of our Directors and senior management.

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Our Directors believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Single Largest Group of Shareholders and their respective close associates for the following reasons:

- (a) our Board has a balanced composition of executive Directors and independent non-executive Directors. Save for Dr. Chen, none of our Directors, including our independent non-executive Directors, are associated with our Single Largest Group of 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) we have appointed three independent non-executive Directors which comprise more than one-third of the total members of the Board to ensure the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions and promoting the interests of our Company and our Shareholders as a whole. We believe our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect 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) we have established corporate governance measures and adopted sufficient and effective control mechanisms 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” for further details;
- (e) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a listed 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
- (f) 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 interests, and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Group independently from our Single Largest Group of Shareholders and their respective close associates.

Financial Independence

We have adopted our own independent internal control and financial management systems and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. We make financial decisions and determine our use of funds according to our own business needs independently. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with our Single Largest Group of Shareholders. We have sufficient capital to operate our business independently, and have adequate internal resources and credit profile to support our daily operations. As of December 31, 2025, our Group had total bank loans amounting to approximately RMB20,000,000 guaranteed by Dr. Chen, all of which had been released on January 19, 2026, guaranteed by Dr. Chen. Please refer to Note 33 of the Accountants’ Report as set out in Appendix I to this Document. Our Directors are of the view that our Group is capable of obtaining financing from independent third parties, if necessary, without reliance on our Single Largest Group of Shareholders, and accordingly is able to operate financially

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independently from our Single Largest Group of Shareholders after the [REDACTED]. We do not expect to rely on our Single Largest Group of Shareholders or any of their close associates for financing after the [REDACTED] as we expect that our working capital will be primarily funded by cash generated from our business operation, and to a lesser extent, external indebtedness.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE

Our Company 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 in relation to, among other, directors, the chairman and executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

- (a) our Single Largest Group of Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operation and market information and any other necessary information as required by our Company;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Group enters into connected transactions with our Single Largest Group of Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules. Our Single Largest Group of Shareholders will also provide all information requested by our Company which is necessary for the review of any conflict of interest between our Group and the Single Largest Group of Shareholders, including for the purpose of annual review by the independent non-executive Directors;
- (c) 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. Our Group will also disclose decisions (with basis) on matters reviewed by the independent non-executive Directors in its annual and interim reports or by way of announcements;
- (d) where a Shareholders' meeting is to be held to consider proposed transactions in which our Single Largest Group of Shareholders or their respective close associates have any material interests, our Single Largest Group of Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;
- (e) in the event of any potential conflict of interests, any Director(s) who has a material interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;
- (f) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors represent at least one-third of our Board, which ensures 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, experience and competence to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders or their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

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- (g) 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, in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
- (h) any transactions between our Company and its connected persons shall be conducted in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders’ approval requirements (if applicable) under the Listing Rules; and
- (i) we have appointed Halcyon Capital Limited as our Compliance Advisor who will provide advice and guidance to us in respect of 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 interests between our Group and our Single Largest Group of Shareholders and their respective close associates, and to protect our minority Shareholders’ rights after the [REDACTED].