
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As at the date of this document, Mr. Hong Guozhi, Mr. He Zelin and Ms. Zhang Yuxin by virtue of the Acting in Concert Deed, controlled 7,683,030 Shares, representing approximately 51.22% of our issued share capital, comprising (i) 3,110,010 Shares beneficially owned by Mr. Hong Guozhi; (ii) 2,242,545 Shares beneficially owned by Mr. He Zelin; (iii) 650,325 Shares beneficially owned by Ms. Zhang Yuxin and (iv) 1,680,150 Shares through the ESOP Platforms controlled by Mr. Hong Guozhi, namely All Things Leasable LP and Xiangzu Future LP.

Immediately upon completion of the [REDACTED] and [REDACTED] without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], Mr. Hong Guozhi, Mr. He Zelin, Ms. Zhang Yuxin, All Things Leasable LP and Xiangzu Future LP will collectively control [REDACTED] Shares, representing approximately [REDACTED] of our issued share capital. Accordingly, Mr. Hong Guozhi, Mr. He Zelin, Ms. Zhang Yuxin, All Things Leasable LP and Xiangzu Future LP will become our Controlling Shareholders immediately after [REDACTED].

ACTING IN CONCERT DEED

On May 29, 2020, Mr. Hong Guozhi, Mr. He Zelin and Ms. Zhang Yuxin entered into the Acting in Concert Deed for an initial term of three years and renewable automatically thereafter for a successive term of three years unless otherwise agreed by the parties. Pursuant to the Acting in Concert Deed, each of the parties irrevocably undertakes to, among others, (a) act in concert when handling matters related to our Company's operation and development that require approval at the shareholders' or board meeting pursuant to the PRC Company Law and other relevant laws, regulations and the Articles of Association; (b) act in concert when exercising their rights to propose resolution or their voting rights on major matters concerning our Company's operation and development at shareholders' or board meeting; (c) coordinate internally before proposing a resolution or exercising their voting rights on major matters of our Company. In the event of disagreement, Mr. Hong Guozhi's opinion shall prevail; (d) except where a party shall abstain from voting in respect of a related-party transaction, all parties shall vote at shareholders' meeting or board meeting in accordance with the consensus reached through prior coordination; and (e) exercise their rights in compliance with applicable laws, regulations, the Acting in Concert Deed and any commitments made.

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or any of their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

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INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Controlling Shareholders and their respective close associates upon and after the [REDACTED].

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal control, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have full rights to make all decisions on, and to carry out, our own business operations independently. We hold and enjoy the benefit of all relevant licenses and permits necessary for carrying out our business in all material respect, and we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders.

Based on the above, our Directors believe that we were operationally independent from our Controlling Shareholders and their respective close associates during the Track Record Period and will continue to be able to operate independently upon [REDACTED].

Management Independence

Our management and operational decisions are made by the Board and our senior management in a collective manner. The Board comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Each of Mr. Hong Guozhi, Mr. He Zelin, Mr. Jiang Dingkun and Ms. Zhuo Lishuang is our executive Director.

Our Directors have relevant experience to ensure the proper functioning of our Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders and their respective close associates for the following reasons:

- (a) save as disclosed in “History, Development and Corporate Structure” and “Directors and Senior Management” in this document, all other members of our Board and senior management have no other relationship with our Controlling Shareholders and their respective close associates. Furthermore, each of our Directors and senior

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- management members has substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable him/her to discharge his/her duties independently from our Controlling Shareholders;
- (b) our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;
 - (c) each of our Directors is aware of his/her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;
 - (d) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant directors or our Controlling Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and
 - (e) we have established corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "Corporate Governance Measures" in this section.

Financial Independence

We have a finance department independent from our Controlling Shareholders and their respective close associates. We have also established an independent financial system to make the decisions based on our own business needs. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders and their respective close associates. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, there was no loan, advance, guarantee or other forms of collateral or security provided by our Controlling Shareholders or their close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of and do not place undue reliance on our Controlling Shareholders and their close associates after the [REDACTED].

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CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Controlling Shareholders and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

- where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders and/or any of their respective close associates has a material interest, our Controlling Shareholders and/or their respective close associates will not vote on the resolutions and shall not be counted in the quorum in the voting;
- our Group has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if any transaction is proposed between our Group and our Controlling Shareholders and/or their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;
- our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure 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 and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- 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 Company's expenses; and
- we have appointed Somerley 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, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

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 Company and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [REDACTED].