OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang controls approximately 54.85% of the voting rights of the Company through (i) direct interest held by Mr. Wang amounting to 19.92% of our total issued share capital of our Company; (ii) Yinwei Electronic of which Mr. Wang is a general partner, holding 14.43% of the total issued share capital of our Company; and (iii) Yinyi Electronic, Yinyin Information Technology, Yuanzhong Technology and Xinhua Technology of which Mr. Wang, in his personal capacity, is entitled to exercise the voting rights attached to 8.66%, 5.77%, 4.41% and 1.65%, respectively, of the total issued share capital of our Company pursuant to the AIC Agreements.

As of the Latest Practicable Date, Ms. Zhang, our executive Director and general manager and the spouse of Mr. Wang, was the general partner of Yinyi Electronic and Yinyin Information Technology. Pursuant to the AIC Agreements, Yinyi Electronic and Yinyin Information Technology undertook that, when exercising their respective shareholders' rights in the shareholders' meeting and the Board meetings, they shall act in complete concert with Mr. Wang and exercise their voting rights strictly in accordance with the instructions, directions and wishes of Mr. Wang. Accordingly, Ms. Zhang cannot control the exercise of the voting rights attached to the Shares held by Yinyi Electronic and Yinyin Information Technology. Further, the signing of the relevant AIC Agreements serves as a rebuttal to the presumption of group of controlling shareholders arising from the spousal relationship between Mr. Wang and Ms. Zhang. Accordingly, Ms. Zhang was not part of the group of controlling shareholders within the meaning under Chapter 1.1C of the Guide.

Accordingly, Mr. Wang and Yinwei Electronic constitute our group of Controlling Shareholders as of the Latest Practicable Date. For details on the AIC Agreements, see "History, Development and Corporate Structure — Acting in concert arrangement."

Immediately following the completion of the Share Subdivision and the [**REDACTED**] and assuming that no new Shares are issued under the [**REDACTED**], and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [**REDACTED**], the Controlling Shareholders will be entitled to collectively control the exercise of approximately [**REDACTED**]% of the total voting rights of our Company. Accordingly, Mr. Wang and Yinwei Electronic will remain as our Controlling Shareholders upon completion of the Share Subdivision and the [**REDACTED**].

For further background of Mr. Wang and Ms. Zhang, see "Directors and Senior Management."

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management independence

Our business is managed and conducted by our Board and senior management. Upon the [**REDACTED**], our Board will consist of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For details on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management".

Our Directors consider that our Board and senior management will function independently of the Controlling Shareholders after the [**REDACTED**] because:

(a) each Director is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;

(b) our daily management and operations are carried out by our executive Directors and the members of our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. Furthermore, save for Mr. Wang and Ms. Zhang, the other senior management members are independent of our Controlling Shareholders;

(c) we have three independent non-executive Directors, representing one-third of the Board. The independent non-executive Directors will represent an element of independence at the board level, and certain matters of our Company must always be referred to the independent non-executive Directors for review, to protect the interests of our Company and the Shareholders as a whole;

(d) there are no business dealings between our Company on one part and each of our Controlling Shareholders on the other part. Furthermore, as of the Latest Practicable Date, Yinwei Electronic is an employee shareholding platform with no substantive business operations. Despite the roles of Mr. Wang in Yinwei Electronic, Yinyi Electronic and Yinyin Information Technology, there is no material conflict of interest. In the event that there is a material conflict of interest arising out of any transaction to be entered into between our Group and a Director or his or her respective associates, the interested Director shall abstain from voting and shall not be counted in the quorum in respect of such transactions; and

(e) we have adopted other corporate governance measures to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would enhance our independent management. See "— Corporate Governance Measures."

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role in our Group independently from our Controlling Shareholders.

Operational independence

Our Group is operationally independent from our Controlling Shareholders. Our Company (through our subsidiaries) holds all relevant licenses necessary to carry out our business operations. We own or are legally licensed to use all relevant intellectual property and own facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and independent departments, each with specific areas of responsibilities. We have adopted a set of internal control procedures to maintain effective and independent operation of our business.

In addition, we have established our internal organizational and management structure which includes shareholders' meetings, our Board and other committees, and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We have sufficient capital to operate our business independently, and have adequate internal resources and working capital to support our daily operations. We do not expect to rely on the Controlling Shareholders and their close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing, bank loans as well as the [**REDACTED**] from the [**REDACTED**].

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by the Controlling Shareholders or their respective close associates. In addition, we had also received a series of [**REDACTED**] Investments from third party investors independently. See "History, Development and Corporate Structure."

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders.

Competition

Each of the members of the Controlling Shareholders does not currently have any interest in a business (save for the business of our Group) that competes or is likely to compete, whether directly or indirectly, with our Group's business, which would otherwise require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) under the Articles, where a Shareholders' meeting is held to consider proposed transactions in which our Controlling Shareholders or any of their associates are, under the Listing Rules, required to abstain, members of the Controlling Shareholders(s) shall abstain from voting and their votes shall not be counted in respect of such transactions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with any member of the Controlling Shareholders or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules;

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

(d) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and annual reports or by way of announcements as required by the Listing Rules;

(f) 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 expense;

(g) we have appointed Ping An of China Capital (Hong Kong) Company Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) we have established our audit committee, remuneration committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Code of Corporate Governance and Corporate Governance Report in Appendix C1 to the Listing Rules.

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