OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Chiu, is able to exercise approximately 78.79% voting rights in our Company through (i) 35,709,500 Shares directly held by him; (ii) 400,000 Shares held by Mufeng Technology; (iii) 2,796,000 Shares held by Dechengji. Mufeng Technology was owned as to approximately 60%, 20% and 20% by Mr. Chiu, Ms. Law (the spouse of Mr. Chiu) and Ms. Chiu (the daughter of Mr. Chiu), respectively. Mr. Chiu, Ms. Law and Ms. Chiu are presumed to be a group of controlling shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships. The general partner of Dechengji is Mr. Chiu. Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no Shares are issued pursuant to the **[REDACTED]** Share Option Scheme), Mr. Chiu will be directly and indirectly entitled to exercise approximately **[REDACTED]**% voting rights in our Company. Therefore, Mr. Chiu, Ms. Law, Ms. Chiu, Mufeng Technology and Dechengji will be regarded as a group of Controlling Shareholders under the Listing Rules upon the **[REDACTED]**.

Our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, they did not have any interest in other business, apart from the business of our Company, 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the **[REDACTED]**, taking into consideration the factors below.

Management Independence

Our Board consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders for the following considerations:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details, see "Directors and Senior Management" in this document;

(c) we have appointed three independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, experience and competence with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For details, see "— Corporate Governance" in this section.

In light of the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. We hold all the requisite licenses, intellectual property rights and qualifications that are material to carry on our principal business. We also have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have established an independent finance department with a team of financial staff and an independent audit, accounting and financial management system.

In addition, we have been and are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders or their close associates. As of the Latest Practicable Date, there was no loan, advance or guarantee 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]**.

NON-COMPETITION UNDERTAKING

Deed of Non-competition

To ensure that competition will not exist in the future, each of our Controlling Shareholders has entered into the Deed of Non-competition in favor of our Company under which each of our Controlling Shareholders has, warranted and undertaken to our Company that he/she/it shall not, and he/she/it shall use his/her/its best endeavors to procure that none of his/her/its close associates (other than any member of our Group) shall, directly or indirectly as principal or agent, either on his/her/its own account or in conjunction with or on behalf of any person, or through any entities (except in or through any members of our Group), compete with our business as disclosed in this document (the "**Restricted Business**").

The Deed of Non-competition given by our Controlling Shareholders does not apply to:

(a) the relevant Controlling Shareholder's holding of interests in the shares of a company where the total number of shares directly or indirectly held by our Controlling Shareholders, and/or his/her/its respective close associates in aggregate does not exceed 10% of the issued shares of the relevant company or control the exercise of more than 10% of the voting rights thereof, or control the composition of a majority of the board of directors of such company; and

(b) the Forgone Business Opportunity (as defined in the Deed of Non-competition) which our Company has confirmed that it does not intend to pursue.

The respective obligations of each of our Controlling Shareholders under the Deed of Non-competition shall take effect from the **[REDACTED]**, and shall terminate on the earliest of (i) the Shares cease to be **[REDACTED]** on the Stock Exchange; (ii) our Controlling Shareholders and their close associates, individually or jointly, cease to hold or control 30% or more of the entire share capital of the Company; and (iii) any one of our Controlling Shareholders together with its/his/her close associates cease to hold or control, directly or indirectly, any securities in the entire share capital of our Company.

Our Company will disclose decisions on matters reviewed by our independent non-executive Directors relating to the compliance and enforcement of the non-competition undertakings under the Deed of Non-competition in our annual reports. Our Controlling Shareholders will make an annual confirmation on their compliance with the non-competition undertakings under the Deed of Non-competition in our annual reports.

CORPORATE GOVERNANCE

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

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, our Controlling Shareholders or their associate will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;

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

(c) our Board consists of a balanced composition of 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;

(d) 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

(e) we have appointed Octal Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe 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 Shareholders' interests as a whole after the **[REDACTED]**.