OVERVIEW

As of the Latest Practicable Date, Mr. Qiu, chairman of our Board, an executive Director and our chief executive officer, indirectly controlled the voting rights attaching to 23.14% of the total issued Shares of our Company through iChoice Holding. In addition, Mr. Qiu will also be deemed to be interested in 1,713,967 Shares held by Qiushi Capital and 21,930,336 Shares to be issued to ESOP BVI I. Immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Qiu and iChoice Holding will continue to be our Single Largest Shareholders and Mr. Qiu will control the voting rights in an aggregate of 85,882,093 Shares, representing **[REDACTED]**% of the total issued Shares of the Company immediately upon the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Shareholders and/or their close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by the Board and senior management. Our Board consists of six executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management." Save for Mr. Qiu, chairman of the Board and chief executive officer of our Company, none of our Directors or members of senior management is a member of our Single Largest Shareholders or their respective close associates. Our other Directors have relevant experience to ensure the proper functioning of the Board.

We 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 Single Largest Shareholders and/or their close associates for the following reasons:

(i) our Directors are aware of their fiduciary duties as a director, which require, among other things, that they act for the benefits and in the interests of our Company and all our Shareholders as a whole and do not allow any conflict between their duties as a Director and their personal interests;

(ii) our daily management and operations are carried out by our executive Directors and senior management team. They also have substantial experience in the industry in which our Company is engaged and will therefore be able to make impartial and sound business decisions that are in the best interests of our Group;

(iii) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations;

(iv) our Board has a balanced composition of executive and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors account for one-third of the Board, and do not and will not take up any position with our Single Largest Shareholders and/or their respective close associates. All of our three independent non-executive Directors are independent of our Single Largest Shareholders and/or their respective close associates and have extensive experience in their respective areas of expertise. All independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules, and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of the Board are made only after the due consideration of independent and impartial opinions; and

(v) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Group and a Director or their respective close associate, the interested Director(s) is required to declare the nature of such interests before voting at the relevant Board meetings of our Company in respect of such transactions.

Based on 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. Our Board together with our senior management team, therefore, are able to perform the managerial role in our Group independently.

Operational Independence

We are in possession of all operating facilities and technology relating to our Group's business and have obtained relevant requisite qualifications and approvals for conducting all our business. Currently, we engage in our Group's business independently, with the independent right to make operational decisions and implement such decisions.

We have independent access to customers and suppliers and, therefore, are not dependent on our Single Largest Shareholders and/or their respective close associates for any significant amount of our revenue, R&D, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Single Largest Shareholders and/or their respective close associates. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, research and development, sales and marketing, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Single Largest Shareholders and their close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Shareholders and their respective close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Single Largest Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Single Largest Shareholders and their respective close associates. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Single Largest Shareholders and their respective close associates.

As of the Latest Practicable Date, save as disclosed in Note 37 to the Accountants' Report in Appendix I in relation to the guarantees of bank loans provided by Mr. Qiu to certain members of our Group, which include the security provided by Mr. Qiu and/or his close associates (i) for the Deqing Onshore Loan in a principal amount of RMB20 million that will remain in effect until the full repayment by the Company (the "**Guaranteed Financing**") and (ii) for certain bank facilities that will be fully released on or before the **[REDACTED]**, our Group did not intend to obtain any borrowing, guarantees, pledges and mortgages from our Single Largest Shareholders and/or their respective close associates. Considering that (i) a majority of our cash financings were obtained from third parties during the Track Record Period without assistance from our Single Largest Shareholders and/or his/its close associates, and (ii) the Guaranteed Financing is on normal commercial terms and the financial assistance provided by our Single Largest Shareholders therein is not secured by any assets of the Group, and therefore is a fully exempt connected transaction in accordance with rule 14A.90 of the Listing Rules, our Directors believe that we will be capable of secure financings independently after the **[REDACTED]**. In addition, since the commercial terms of the Guaranteed Financing will enhance the cash flows of the Company and an early discharge of the Guaranteed Financing would incur unnecessary costs and risks of termination before its maturity date, it would be in the best interest of the Company and our Shareholders as a whole to keep the Guaranteed Financing in place and maintain the stability of our cash flows.

During the Track Record Period, we also provided some financial assistance to Hangzhou Shenmei Information Technology Co., Ltd. ("**Hangzhou Shenmei**"), an associated company principally engaged in investment holding, which is held and controlled by Mr. Qiu as to 50% and the rest 50% is held by Hangzhou Qiushi Youmai. The financial assistance provided to Hangzhou Shenmei were necessitated by its short-term cashflow requirements for the construction of an office building in Hangzhou. Our Company has agreed with Hangzhou Shenmei that all outstanding financial assistance will be fully repaid prior to the **[REDACTED]**, and no further financial assistance will be provided to Hangzhou Shenmei thereafter.

Based on the above, our Directors believe that we do not place undue reliance on our Single Largest Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Upon **[REDACTED]**, save as disclosed in "Directors and Senior Management — Corporate Governance", we will comply with all other provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules, which sets out the principles of good corporate governance.

We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and Single Largest Shareholders and/or their respective close associates:

(i) where a Board meeting is held for the matters in which any Directors has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) 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 our Single Largest Shareholders or any of their close associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, reporting and independent Shareholders' approval requirements (if applicable) under the Listing Rules;

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

(iv) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, 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. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders;

(v) our independent non-executive Directors will (i) review any connected transactions annually and disclose in our annual report or by way of announcements that, such connected transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole; and (ii) provide impartial and professional advice to protect the interests of our minority Shareholder;

(vi) our Single Largest Shareholders and/or their respective close associates will provide our independent non-executive Directors with all relevant financial, operational and market and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(vii) Our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

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

(ix) 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

(x) we have appointed Innovax Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to Directors' duties and internal controls.