OVERVIEW

As of the Latest Practicable Date, (i) Mr. Hu was the beneficial owner of 5.39% of our Shares; (ii) Mr. Zhang was the beneficial owner of 3.19% of our Shares; and (iii) Shanghai Zhixian was the beneficial owner of 32.14% of our Shares. Shanghai Zhixian is controlled by Mr. Hu by virtue of his role as its general partner and Mr. Zhang who is a limited partner of Shanghai Zhixian, who are interested in approximately 43.07% and 37.12% of the limited partnership's interest, respectively.

Pursuant to the Acting-in-Concert Agreement, Mr. Hu and Mr. Zhang agreed that they shall act in concert in respect of matters to be considered at our Board or general meetings. Accordingly, Mr. Hu, Mr. Zhang and Shanghai Zhixian are deemed to be parties acting in concert.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), (i) Mr. Hu will hold an aggregate of approximately **[REDACTED]**% interest in our Shares, including **[REDACTED]**% direct interest and approximately **[REDACTED]**% indirect interest through Shanghai Zhixian; (ii) Mr. Zhang will hold an aggregate of approximately **[REDACTED]**% interest in our Shares, including **[REDACTED]**% direct interest and approximately **[REDACTED]**% indirect interest through Shanghai Zhixian; and (iii) Shanghai Zhixian will hold an aggregate of approximately **[REDACTED]**% direct interest in our Shares. Accordingly, Mr. Hu, Mr. Zhang and Shanghai Zhixian will remain our Controlling Shareholders.

Additionally, Mr. Hu is our founder, chairman of our Board and executive Director and Mr. Zhang is our co-founder, general manager and executive Director. For further information on Mr. Hu and Mr. Zhang, please see section headed "Directors and Senior Management."

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirms that as of the Latest Practicable Date, he or it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders after **[REDACTED]**.

Operational Independence

Our Company has full rights to make all decisions on and to carry out, our own business operations independently. We have our own independent departments to support the operations and management of our current business. We have registered the relevant intellectual property rights relating to technologies of our business and our products. We hold the licenses and qualifications necessary to carry on our current business and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders and their close associates. We have access to suppliers and customers independently from and not connected to our Controlling Shareholders and their close associates.

Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises nine Directors, including five executive Directors, a non-executive Director and three independent non-executive Directors. Our Board has a balanced composition with a majority of non-executive directors including independent non-executive Directors not associated with our Controlling Shareholders and their close associates.

Each of our Directors is aware of his or her fiduciary duties as a Director which require, among others, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. In the event that 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 Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum. Further, we believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board. See the sub-section headed "—Corporate Governance" in this section for further details.

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

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting and reporting functions of our Company. We can make financial decisions independently and our Controlling Shareholders do not intervene in our use of funds.

As of the Latest Practicable Date, there were no loans, advances and balances due to and from our Controlling Shareholders and/or their associates and no share pledges or guarantees provided by our Controlling Shareholders and/or their associates on our borrowings. Our source of funding is independent from our Controlling Shareholders and their associates and neither our Controlling Shareholders nor their associates had financed our operations during the Track Record Period. Our Directors believe that we are able to obtain financing independently from our Controlling Shareholders and their associates.

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

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.

Our Directors recognize the importance of good corporate governance in the protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

1. where a general meeting is to be held for considering proposed transactions in which any member has a material interest, any votes cast by or on behalf of such member shall not be counted;

2. 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;

3. our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

4. 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 Annual Review;

5. our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements as required by the Listing Rules;

6. 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

7. we have appointed Red Solar Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders and to protect minority Shareholders' interests after the **[REDACTED]**.