RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhang (i) directly held approximately 19.15% of our total issued Shares, (ii) was deemed to be interested in approximately 53.59% of our total issued Shares held by Shanghai Zhuoyou LP, since Mr. Zhang wholly owned Shanghai Zhuoyou Company which is the general partner of Shanghai Zhuoyou LP and Mr. Zhang is a limited partner held approximately 58.28% interests in Shanghai Zhuoyou LP, (iii) was deemed to be interested in approximately 8.93% of our total issued Shares held by Shanghai Zhuoyou Company, since Shanghai Zhuoyou Company is wholly owned by Mr. Zhang, (iv) was deemed to be interested in approximately 2.46% of our total issued Shares held by Shanghai Zhuocheng, since Mr. Zhang is the general partner of Shanghai Zhuocheng and (v) was deemed to be interested in approximately 0.70% of our total issued Shares held by Shanghai Zhuochai, since Mr. Zhang is the general partner of Shanghai Zhuochai. Accordingly, Mr. Zhang, Shanghai Zhuoyou LP, Shanghai Zhuoyou Company, Shanghai Zhuocheng and Shanghai Zhuochai constitute a group of controlling shareholders of our Company, who in aggregate hold approximately 84.82% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhang, Shanghai Zhuoyou LP, Shanghai Zhuoyou Company, Shanghai Zhuocheng and Shanghai Zhuochai will hold in aggregate approximately [REDACTED]% of the total issued Shares.

For details of Mr. Zhang, see "Directors and Senior Management — Board of Directors." For details of Shanghai Zhuoyou LP, Shanghai Zhuoyou Company, Shanghai Zhuocheng and Shanghai Zhuochai, see "History and Development — Corporate Structure as of the Latest Practicable Date."

COMPETING INTERESTS

Each of our Controlling Shareholders and Directors confirms that he/she does not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our businesses, 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 out our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED], taking into account the following factors:

Management Independence

The day-to-day management of the business of our Group rested primarily with our Board and our senior management as of the Latest Practicable Date. Our Board comprises three (3) executive Directors (including one (1) also acting as employee representative Director), one (1) non-executive Director and three (3) independent non-executive Directors, and our Group has six senior management (who are not Directors). Although Mr. Zhang is an executive Director, and he is a member of our Controlling Shareholders, our management and operational decisions are made by our Board and senior management, all of whom have substantial experience in the industry in which we are engaged and/or in their respective fields of expertise. Also, Mr. Zhang has a track record of devoting sufficient time and energy to discharge his duties as our Director and senior management and he will continue to focus on our Group's business. When performing his duties as Directors he has been and will continue to be supported by the separate and senior management team of the Group. The balance of power and authority is ensured by the operation of the senior management and our Board. See "Directors and Senior Management" for further details.

In addition, although Mr. Zhang is a member of our Controlling Shareholders, we consider that our Board and senior management will function independently from our Controlling Shareholders taking into account the following:

- 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 and her personal interests;
- three (3) out of our seven (7) Directors are independent non-executive Directors who have extensive experience in different professions. They have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. We believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board;
- our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he or she or any of his or her close associates have a material interest and shall not be counted in the quorum present at the particular Board meeting; and
- 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. See "— Corporate Governance Measures."

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

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or our 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 the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Our Directors do not expect that there will be any other significant transactions between our Group and our Controlling Shareholders upon or shortly after the [REDACTED].

Based on the foregoing, our Directors believe that we are able to operate independently of the Controlling Shareholders and their close associates.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We make financial decisions according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Controlling Shareholders or their close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently, and has adequate internal resources and credit profile to support our daily operations. We do not rely on our Controlling Shareholders and/or their close associates by virtue of their provision of financial assistance.

Our Directors confirm that there were no outstanding non-trade amounts due to or from, and loans or guarantees provided by our Controlling Shareholders and their respective close associates as of the Latest Practicable Date. Also, as of the Latest Practicable Date, none of borrowings and lease liabilities of our Group involved guarantees from our Controlling Shareholders. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders. In case any future financial assistance to be provided to, or received from, our connected persons, including our Controlling Shareholders, our Group shall comply with the requirements under Chapter 14A of the Listing Rules, including the requirements of reporting, announcement and independent Shareholders' approval as appropriate, and undertake to provide or receive such financial assistance on normal commercial terms or better.

Based on the above, our Directors believe that we have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

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 protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director have a material interest in the company involved, and if the laws and regulations and the rules of the Stock Exchange where our Shares are [REDACTED] imposed any further restrictions on directors' attendance at board meetings and voting, such laws, regulation and rules shall be complied with;
- we have established internal control mechanisms to identify connected transactions. Upon [REDACTED], if we enter into connected transactions with any of our Controlling Shareholders or their respective associates, our Company will comply with the applicable Listing Rules;
- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three (3) independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management — Board of Directors — Independent Non-executive Directors;"
- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and
- we have appointed Maxa Capital Limited as our Compliance Adviser, which 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.