

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Zhang was interested in approximately 24.64% of our total issued share capital, indirectly through Jiangyin Ruiyuanda¹ (22.00%) and Yangzhou Nayuan² (2.64%). Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhang, Jiangyin Ruiyuanda and Yangzhou Nayuan will be entitled to control the exercise of [REDACTED]% of the voting rights at the general meetings of our Company and will constitute the Single Largest Shareholders Group of our Company upon [REDACTED].

INDEPENDENCE OF OUR SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Shareholders Group and its close associates after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board consists of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. For more information, see “Directors and Senior Management”.

Our Directors consider that our Board and senior management will function independently of our Single Largest Shareholders Group and its close associates because:

- (a) Mr. Zhang currently serves as the general manager of Jiangyin Ruiyuanda, which is a shareholding platform and is principally engaged in technology consulting and management consulting. Other than above, our executive Directors and all our senior management members do not hold any management position and/or directorship in the Single Largest Shareholders Group or its close associates (other than our Group);
- (b) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) our daily management and operations are carried out by a 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;

¹ As of the Latest Practicable Date, Jiangyin Ruiyuanda was owned as to 95% and 5% by Mr. Zhang and Mr. Zhang Guowei. Notwithstanding that Mr. Zhang Guowei is the uncle of Mr. Zhang, as Mr. Zhang Guowei is not involved in the management of Jiangyin Ruiyuanda, has no concert party arrangement with Mr. Zhang and is only entitled to the passive economic interest in Jiangyin Ruiyuanda, Mr. Zhang Guowei should not be treated as a member of the Single Largest Shareholders Group of our Company.

² As of the Latest Practicable Date, Yangzhou Nayuan was owned as to 0.0001% by Jiangyin Ruiyuanda as its sole general partner. None of the limited partners owns over 30% interest in Yangzhou Nayuan. As each of the limited partners of Yangzhou Nayuan is not involved in the management of Yangzhou Nayuan, has no concert party arrangement with Mr. Zhang and is only entitled to the passive economic interest in Yangzhou Nayuan, each of the limited partners of Yangzhou Nayuan should not be treated as a member of Single Largest Shareholders Group of our Company.

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- (d) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (e) 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 associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and
- (f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholders Group and his close associates which would support our independent management. See “— Corporate Governance Measures” for further information.

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 independently from our Single Largest Shareholders Group and its close associates.

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Single Largest Shareholders Group and its close associates. On the basis of the following reasons, our Directors consider that our Company will continue to be operationally independent from our Single Largest Shareholders Group and its close associates after the [REDACTED]:

- (a) we are not reliant on trademarks or patents owned by our Single Largest Shareholders Group, or by other companies controlled by him and his close associates;
- (b) we are the holder of all relevant licenses material to the operation of our business;
- (c) we have independent access to our users, customers and suppliers;
- (d) we have sufficient capital, facilities, equipment and employees to operate our business independently from our Single Largest Shareholders Group and his close associates;
- (e) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and
- (f) none of our Single Largest Shareholders Group nor his close associates have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholders Group and its 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 and making financial decisions based on our Group’s needs. We are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Shareholders Group and its close associates.

No loans or guarantees provided by, or granted to, our Single Largest Shareholders Group or its close associates will be outstanding as of the [REDACTED].

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Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Single Largest Shareholders Group and its close associates after the [REDACTED].

DISCLOSURE UNDER RULE 8.10(1) OF THE LISTING RULES

Our Single Largest Shareholders Group confirms that, as of the Latest Practicable Date, none of the members of the Single Largest Shareholders Group or its close associates 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 that would require disclosure under Rule 8.10(1) of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company and Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), 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 Single Largest Shareholders Group:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of his associates has a material interest, our Single Largest Shareholders Group or his close associates will not vote on the relevant resolutions;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Single Largest Shareholders Group or any of his close associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Single Largest Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Single Largest Shareholders Group 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 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;

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- (g) we have appointed Maxa Capital 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 Corporate Governance Code.

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