OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned as to approximately (i) 29.96% by Shenzhen Jiecheng Investment, which was owned as to approximately 90% by Mr. Zheng and 10% by Yang Manna (楊漫娜); (ii) 9.81% by Mr. Zheng; (iii) 19.87% by Shenzhen Jiecheng Enterprise Management, which in turn was 16.5736% owned by Mr. Zheng as its general partner; (iv) 5.24% by Shenzhen Jiecheng Mingchehui, which in turn was 27% owned by Mr. Zheng as its general partner; (v) 5.23% by Shenzhen Jiecheng Zhiyuan, which in turn was 66.8863% owned by Mr. Zheng as its general partner; and (vi) 5.27% by Shenzhen Yongchangxuan, which in turn was 14.2856% % owned by Mr. Zheng as its general partner. As Mr. Zheng, Shenzhen Jiecheng Investment, Shenzhen Jiecheng Enterprise Management, Shenzhen Jiecheng Mingchehui, Shenzhen Jiecheng Zhiyuan and Shenzhen Yongchangxuan had collectively controlled the exercise of approximately 75.37% voting rights at the general meetings of the Company, Mr. Zheng, Shenzhen Jiecheng Investment, Shenzhen Jiecheng Enterprise Management, Shenzhen Jiecheng Mingchehui, Shenzhen Jiecheng Zhiyuan and Shenzhen Yongchangxuan are considered to be a group of Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zheng, Shenzhen Jiecheng Investment, Shenzhen Jiecheng Enterprise Management, Shenzhen Jiecheng Mingchehui, Shenzhen Jiecheng Zhiyuan and Shenzhen Yongchangxuan will collectively hold approximately [REDACTED] of our total issued Shares. Accordingly, Mr. Zheng, Shenzhen Jiecheng Investment, Shenzhen Jiecheng Enterprise Management, Shenzhen Jiecheng Mingchehui, Shenzhen Jiecheng Zhiyuan and Shenzhen Yongchangxuan will remain as our Controlling Shareholder Group immediately after [REDACTED].

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 and their close associates after [REDACTED].

Operational Independence

We are able to make all decisions on, and to carry out, our own business operations independently. Our Group holds the licenses and qualifications necessary to carry out our current business. We have sufficient capital, facilities, technology and employees and our own departments specializing in the respective areas which have been in operation and are expected to continue to operate our business independently from our Controlling Shareholders. We have access to third parties independently from our Controlling Shareholders for sources of suppliers and customers.

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

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Among our Directors, Mr. Zheng is our Controlling Shareholder. Despite so, 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:

(i) 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 does not allow any conflict between his/her duties as a Director and his/her personal interests;

(ii) 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. See "Directors and Senior Management" in this document for details of the industry experience of our senior management;

(iii) we have appointed three independent non-executive Directors with a view to bringing independent judgment to the decision-making process of our Board;

(iv) 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 close associates, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(v) 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" in this section for details.

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

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company, independent from our Controlling Shareholders. We are able to make financial decisions independently and our Controlling Shareholders do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system.

As of the Latest Practicable Date, we had certain borrowings (i) from Industrial Bank Co., Ltd. (Shenzhen Branch), which was guaranteed by our Controlling Shareholder which the lender agreed to release the guarantee provided by our Controlling Shareholder unconditionally upon [REDACTED], and (ii) from Bank of China Co., Ltd. Jiangmen Branch, which the lender agreed to release the guarantee provided by our Controlling Shareholder unconditionally upon the date of filing of our [REDACTED] application.

Save as disclosed above, as of the Latest Practicable Date, none of our Controlling Shareholders or their respective close associates financed our operations during the Track Record Period, and we did not obtain any borrowings, guarantees, pledges or mortgages from our Controlling Shareholders or their respective close associates.

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 Controlling Shareholders and their close associates.

INTERESTS OF THE CONTROLLING SHAREHOLDER IN OTHER BUSINESSES

The Controlling Shareholders confirm that as of the Latest Practicable Date, they 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, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

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

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

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

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

(d) the Controlling Shareholders will 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;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(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 expenses; and

(g) we have appointed CMBC International 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 the Controlling Shareholders, and to protect minority Shareholders' interests after the [REDACTED].