OUR CONTROLLING SHAREHOLDERS

Upon [**REDACTED**] (assuming that the [**REDACTED**] are not exercised), Mr. Ying will control [**REDACTED**]% of our total issued share capital, comprising (1) [**REDACTED**]% beneficially owned by Hangzhou Dingyuan; (2) [**REDACTED**]% beneficially owned by Tianyuan Liji; (3) [**REDACTED**]% beneficially owned by Yingxi No. 1; (4) [**REDACTED**]% beneficially owned by Yingxi No. 4; (5) [**REDACTED**]% beneficially owned by Yingxi No. 5; and (6) [**REDACTED**]% beneficially owned by Eaglestream Partners. Each of Hangzhou Dingyuan, Tianyuan Liji, and Yingxi No. 1 is controlled by Ningbo Yingxi as general partner, which is in turn wholly owned by Ningbo Hunting. Ningbo Hunting is wholly owned by Safari Capital Company Limited, which is in turn wholly owned by Advance Faith Investing Limited. Mr. Ying owns 100% interests in Advance Faith Investing Limited. Each of Yingxi No. 4 and Yingxi No. 5 is controlled by Hangzhou Yingxi as general partner, which is wholly owned by Ningbo Yingxi. Eaglestream Partners is owned as to 54.6% by Mr. Ying. Accordingly, Mr. Ying, Advance Faith Investing Limited, Safari Capital Company Limited, Ningbo Hunting, Ningbo Yingxi, Hangzhou Dingyuan, Tianyuan Liji, Yingxi No. 1, Hangzhou Yingxi, Yingxi No. 4, Yingxi No. 5 and Eaglestream Partners will be our Controlling Shareholders upon the [**REDACTED**].

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or any of their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Controlling Shareholders and their respective close associates upon and after the [**REDACTED**].

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or 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 our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have full rights to make all decisions on, and to carry out, our own business operations independently. We hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respect, and we have sufficient capital, facilities, equipments and employees to operate our business independently from our Controlling Shareholders. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders.

Based on the above, our Directors believe that we are operationally independent from our Controlling Shareholders and their respective close associates.

Management Independence

Our management and operational decisions are made by the Board and our senior management in a collective manner. The Board comprises seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Ying is a non-executive Director and the Chairman of the Board.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further 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 Controlling Shareholders and their respective close associates for the following reasons:

(a) save for interests held by our Directors and senior management as disclosed in "History, Development and Corporate Structure" in this document and Mr. Lyu Dong, who is a representative of the managing partner (執行事務合夥人委派代表) in Hangzhou Dingyuan, Tianyuan Liji and Yingxi No. 1, respectively, all other members of the Board and senior management have no other relationship with the Controlling Shareholders and their respective close associates. Furthermore, each of our Directors and senior management members has substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable him/her to discharge his/her duties independently from the Controlling Shareholders;

(b) our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(c) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;

(d) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Controlling Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and

(e) we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "Corporate Governance Measures" in this section.

Financial Independence

We have a finance department independent from our Controlling Shareholders and their respective close associates. We have also established an independent financial system to make the decisions based on our own business needs. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders and their respective close associates. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates. During the Track Record Period and as of the Latest Practicable Date, we had received the [**REDACTED**] Investment from third party investors independently. See "History, Development and Corporate Structure — [**REDACTED**] Investments" in this document for details. As of the Latest Practicable Date, there were no loans, advances and balances due to or from our Controlling Shareholders or their respective close associates, nor were there any pledges and guarantees provided by and to our Controlling Shareholders or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Controlling Shareholders and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

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

- our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Controlling Shareholders and/or their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;

- our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board 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 to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

- 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

- we have appointed Somerley Capital Limited as our Compliance Advisor, who 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, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

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 Company and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].