
RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the exercise of the voting rights attached to 107,972,688 Shares, representing approximately [REDACTED]% of our total issued Shares will be controlled by Dr. Zhuang. AIZL Holdings Limited, which will hold [REDACTED]% of our total issued Shares, is owned as to (i) 38% by Jade & Roc Limited, a company incorporated in the BVI, which in turn wholly owned by Trident Trust Company (HK) Limited, acting as the trustee for the A&A Family Trust; and (ii) 62% by Dr. Zhuang. MJXY Holdings Limited, which will hold [REDACTED]% of our, total issued Shares is wholly owned by Jade & Roc Limited. Accordingly, Dr. Zhuang, AIZL Holdings Limited, Jade & Roc Limited, and MJXY Holdings Limited will together be the Controlling Shareholders of our Company after the [REDACTED].

A&A Family Trust is a family trust arrangement formed for the benefit of Dr. Zhuang’s family members, instead of an entity with legal rights or authority to directly or indirectly exercise the voting rights of the Company. Trident Trust Company (HK) Limited is a professional trust administrator for A&A Family Trust and is independent from Dr. Zhuang. Jade & Roc Limited is a company established by Trident Trust Company (HK) Limited to act as its nominee to hold the interests of our Company involved under the A&A Family Trust. This is a trust structure commonly adopted by professional trust administrators such as Trident Trust Company (HK) Limited. In this connection, Trident Trust Company (HK) Limited is solely used for administrative purposes with a view to facilitating the management of A&A Family Trust. As a result, none of Trident Trust Company (HK) Limited or A&A Family Trust constitutes a controlling shareholder of our Company.

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company’s 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

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We hold our own operation resources including but not limited to customers and suppliers, as well as our own registered patents which can be used for carrying out our businesses. We have a team of senior management to operate the business independently from our Controlling Shareholders and their respective close associates. We also have access to third parties independently from, and not connected with, our Controlling Shareholders for sources of suppliers, customers and business partners.

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 in a collective manner. The Board comprises seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. For details, see “Directors and Senior Management.”

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

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managing our business independently from our Controlling Shareholders (which include Dr. Zhuang as an executive Director) and their respective close associates for the following reasons:

- (a) all members of the Board and senior management other than Dr. Zhuang are independent from the Controlling Shareholders and their respective close associates. They have substantial experience in the industry as further described in “Directors and Senior Management”, which will enable them to discharge their 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; and
- (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.

Financial Independence

We have a financial 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. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling shareholder and their respective close associates. During the Tack Record Period and as of the Latest Practicable Date, we had received the Pre-[REDACTED] Investments from third party investors independently. For details of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure”. 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 Company and Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following corporate governance measures to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders 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 their respective associates, we will comply with the requirements of the Articles of Association and the [REDACTED] 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 and independent non-executive Directors, with independent non-executive Directors representing more than one-third of our Board to

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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 advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser, 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].