OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Mr. Zhou held approximately 80.0% interest in our total issued share capital. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Zhou will hold approximately **[REDACTED]** interest in our total issued share capital. Therefore, Mr. Zhou was our Controlling Shareholder as of the Latest Practicable Date and will remain as our Controlling Shareholder upon the **[REDACTED]**.

Mr. Zhou is also our chairman of the Board and an executive Director. For further information of Mr. Zhou, see the section headed "Directors and Senior Management" in this document. For details of the shareholding of Mr. Zhou immediately prior to and following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), see "History, Development and Corporate Structure".

INTEREST OF OUR CONTROLLING SHAREHOLDER

Our Controlling Shareholder, Mr. Zhou, confirms that, as of the Latest Practicable Date, neither him nor any of his close associates was interested in any 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 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholder and his close associates after the **[REDACTED]**.

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the **[REDACTED]**, our Board will comprise five executive Directors and three independent non-executive Directors, among whom Mr. Zhou, our chairman and executive Director, is our Controlling Shareholder. For further details, see "Directors and Senior Management".

We believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Controlling Shareholder for the following reasons:

- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow his or her personal interests to interfere with our Company's best interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director or his or her respective close associates, he or she shall abstain from voting on any Board resolutions approving any contract, arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting;

- we have appointed three independent non-executive Directors, comprising more than one-third of our Board of Directors, to provide a balance of the number of our Board of Directors and with a view to ensuring the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions and promoting the interests of our Company and our Shareholders as a whole. We believe our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole; and

- we have established corporate governance measures and adopted sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholder, which would support our independent management. See "— Corporate Governance Measures" for further details.

Based on the above, our Directors are of the view that our Board of Directors, together with our senior management team, are able to perform their managerial roles in our Group independently from our Controlling Shareholder and his close associates.

Operational Independence

Our Group is operationally independent of our Controlling Shareholder and his close associates. We can make decisions and carry out our own business operations independently. We have sufficient capital, facilities, technology and employees to operate our business independently. We hold or enjoy the benefits of all relevant licenses and intellectual properties necessary to operate our business. We own or have the right to use all the operational facilities relating to our business. We have our own organizational structure made up of individual functional departments, each with specific areas of responsibilities. We have not shared any operational resources such as sales and marketing, risk management and general administration resources with our Controlling Shareholder or his close associates. We have also established a set of internal control procedures to facilitate the effective operation of our business. We independently manage and have independent access to our customers and suppliers.

Based on the above, our Directors are of the view that we are able to operate independently of our Controlling Shareholder.

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 of our Company. Our finance department is able to function without any undue influence from our Controlling Shareholder. We have also established an internal control system, an independent audit system, and a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principle and standards.

During the Track Record Period, our Group had certain interest-bearing borrowings and trade payables which were guaranteed by our Controlling Shareholder and his spouse, as disclosed in note 30(d) of the Accountants' Report in Appendix I to this Document. Such guarantees provided by Mr. Zhou and his spouse had been released as of the Latest Practicable Date.

Our Group has sufficient capital to operate its business independently, and has adequate internal resources and a strong credit profile to support its daily operations. We are capable of obtaining, if necessary, financing from Independent Third Parties banks without relying on any guarantee or security provided by our Controlling Shareholder and/or his close associates.

Based on the above, our Directors are of the view that we are financially independent from our Controlling Shareholder and his close associate.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Controlling Shareholder has confirmed that he fully comprehends his obligations to act as our Shareholders' and our best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

- where a board meeting or Shareholders' meeting is to be held for considering proposed transactions in which any of our Directors or Controlling Shareholder or any of his close associates has a material interest, the relevant Director or Controlling Shareholder will not vote on the relevant resolutions;

- our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholder or any of his associates, our Company will comply with the applicable Listing Rules;

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

- our Controlling Shareholder 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 Annual Review;

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements;

- 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 Rainbow Capital (HK) Limited as our compliance advisor upon the **[REDACTED]** 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.

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