OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang Cheng held an aggregate of approximately 36.73% of the total issued share capital of our Company, comprising (i) approximately 13.81% of the total issued share capital of the Company held by him; (ii) approximately 17.31% of the total issued share capital of the Company held by Tianjin Rongyun by virtue of his role as the sole general partner of Tianjin Rongyun; (iii) approximately 5.61% of the total issued share capital of the Company held by Tianjin Yunchuang by virtue of his role as the sole general partner of Tianjin Yunchuang.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]), Mr. Wang Cheng, Tianjin Rongyun and Tianjin Yunchuang will hold in aggregate approximately [**REDACTED**]% of our total issued share capital. Therefore, Mr. Wang Cheng, Tianjin Rongyun, and Tianjin Yunchuang will be deemed together as our Controlling Shareholders upon [**REDACTED**].

Information about our Controlling Shareholders

Mr. Wang Cheng is also our chairman of the Board and our executive Director. For further information of Mr. Wang Cheng, see the section headed "Directors and Senior Management". Tianjin Rongyun is a limited partnership enterprise which serves as a shareholding platform for certain directors and senior management as controlled by Mr. Wang Cheng, its sole general partner. Tianjin Yunchuang is an employee ownership platform with Mr. Wang Cheng as its sole general partner. For further information of Tianjin Rongyun and Tianjin Yunchuang, see the section headed "History, Development and Corporate Structure".

Each of our Controlling Shareholders confirms that, as of the Latest Practicable Date, he or it did not have any interest in a business, apart from the business of our Company, 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.

See the section headed "Directors and Senior Management — Board of Directors" for further information of Mr. Wang Cheng.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (excluding our Company) after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board will consist of 11 Directors, including four executive Directors, three non-executive Directors and four independent non-executive Directors. See "Directors and Senior Management" for more details of our Directors.

Save for Mr. Wang Cheng, who is the sole general partner of each of Tianjin Rongyun and Tianjin Yunchuang, none of our Directors or senior management of our Company have had any roles or responsibilities in managing our Controlling Shareholders or their respective close associates (excluding our Company) during the Track Record Period and up to the Latest Practicable Date.

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 Shareholders and their respective close associates for the following reasons:

- our executive Directors devote sufficient time to discharge their duties to our Company. Other than their positions held in our Company, they are not involved in the day-to-day operations of our Controlling Shareholders or their close associates (excluding our Company);

- the day-to-day management and operations of our Company are carried out by our executive Directors and 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 Company. For details of the background of the executive Directors and senior management, see "Directors and Senior Management";

- 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 four independent non-executive Directors, comprising more than one third of our Board of Directors, to provide a balance on 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 Company and our Controlling Shareholders, which would support our independent management. See "— Corporate Governance" 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 Company independently from our Controlling Shareholders and their respective close associates (excluding our Company).

Operational Independence

Our Company is operationally independent of our Controlling Shareholders and their respective 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 risk management and general administration resources with our Controlling Shareholders or their respective 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 suppliers.

We had entered into certain related party transactions with our Controlling Shareholders and/or their respective associates, the details of which are set out in the section headed "Financial Information — Related Party Transactions" and in note 34 to the Accountants' Report included in Appendix I to this Document.

All such transactions were conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group. Therefore, our Directors believe that these transactions did not affect our operational independence as a whole.

Based on the above, our Directors are of the view that we are able to operate independently of our Controlling Shareholders and their respective close associates (excluding our Company).

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 Shareholders. 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 principles and standards and IFRS Accounting Standards.

During the Track Record Period, (i) we had certain receivables due from a close associate of our Controlling Shareholders resulting from the payment arrangement with our certain customers; and (ii) we obtained certain bank borrowings for which our Controlling Shareholders and Directors, namely, Mr. Wang Cheng, Ms. Dong Han and Mr. Han Ying, provided personal guarantees. For details, see "Financial Information — Related Party Transactions" and note 33 to the Accountants' Report included in Appendix I to this Document.

As of the Latest Practicable Date, the payment arrangement mentioned above had been terminated and there was no such receivable due from such close associate of our Controlling Shareholders. As of the date of this Document, the relevant borrowings had either been fully repaid or the corresponding guarantees had been released, and no such arrangements remained outstanding.

Other than the above, our source of funding and our finances are independent from our Controlling Shareholders and none of our Controlling Shareholders and their respective close associates financed our operations during the Track Record Period. Our Directors confirm that we do not intend to obtain any further borrowing, guarantees, pledges and mortgages from any of our Controlling Shareholders or their respective close associates. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders.

Based on the above, our Directors are of the view that our Company is able to maintain financial independence from our Controlling Shareholders and their respective close associates (excluding our Company).

CORPORATE GOVERNANCE

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest between our Company and our Controlling Shareholders:

- our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company;

- our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Company and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcement to [**REDACTED**] in compliance with the requirements of the Listing Rules;

- our Directors (including the independent non-executive Directors) will seek independent and professional advice from external advisers at our Company's cost as and when appropriate in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;

- any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent Shareholders' approval requirements (if applicable) under the Listing Rules;

- in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;

- in the event of any potential conflict of interests at the Shareholders' level, our Controlling Shareholders shall abstain from voting at the Shareholders' meeting of our Company with respect to the relevant resolutions;

- our Controlling Shareholders have undertaken, and will continue to undertake, to provide all information reasonably required by our Company to enable compliance with the Listing Rules and applicable laws and regulations, including information relating to its interests in competing businesses, if any;

- our Company has adopted information management and reporting procedures to ensure that price-sensitive and confidential information relating to our Company is handled appropriately and is not improperly shared with our Controlling Shareholders or their close associates; and

- we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including matters relating to corporate governance, connected transactions and disclosure obligations.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflicts of interest between our Company and our Controlling Shareholders, and to protect the interests of our minority Shareholders as a whole after the [**REDACTED**].