OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Controlling Shareholders, comprised (i) Mr. Yu, Mr. Cheng and Mr. Li; (ii) Rongfucheng, which is controlled by Mr. Yu, Mr. Cheng and Mr. Li collectively by virtue of the Acting-in-Concert Agreement; (iii) Xintai Tiancheng, an employee incentive platform controlled by Mr. Yu; and (iv) Daihan Junge, a company wholly owned by Mr. Yu. See "History, Development and Corporate Structure — Acting-in-Concert Arrangement" in this document for details of the Acting-in-Concert arrangement.

As of the Latest Practicable Date, Mr. Yu directly held 22.8139% of our Shares, Rongfucheng held 18.1209% of our Shares, Xintai Tiancheng held 4.4446% of our Shares and Daihan Junge held 0.1594% of our Shares, representing an aggregate interest of approximately 45.5389% of our total share capital. The Controlling Shareholders were entitled to exercise and/or control the exercise of the voting rights attaching to approximately 45.5389% of our total share capital.

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and save for the Share Subdivision, no other changes are made to the share capital of our Company prior to completion of the [REDACTED], and the [REDACTED] represents [REDACTED]% of our enlarged issued share capital), the Controlling Shareholders will be entitled to exercise and/or control the exercise of the voting rights attaching to approximately [REDACTED]% of our total share capital and shall remain as our Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED], taking into consideration the factors below.

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 four executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for more information.

Our Directors consider that we are capable of maintaining management independence for the following reasons:

(a) each Director and members of the senior management is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the best interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) 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 and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and

(c) we believe our three independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board, and certain matters of our Company, including any potential connected transactions, shall always be referred to the independent non-executive Directors for review to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders which would support our independent management. For details, see "— Corporate Governance" in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Our Group has a full-time management team and team of staff to carry out its operation and administration independently from the Controlling Shareholders. We have established a complete organizational structure, comprising various separate departments each charged with specific responsibilities. The support functions comprising business development, accounting, internal audit, IT, product development, compliance, administration and human resource management will also continue to be handled by a team of staff employed directly by us and are separated from the Controlling Shareholders. We have also established a set of internal control procedures and adopted corporate governance measures to facilitate the independent and effective operation of our business.

We have independent access to suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We do not expect to rely on our Controlling Shareholders and their respective close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalent on hand and internally generated funds as well as the [REDACTED] from the [REDACTED].

During the Track Record Period, certain of our Group's banking facilities were guaranteed by our Controlling Shareholders and/or their close associates (the "**Guarantees**"). All Guarantees will be fully released or replaced upon the [REDACTED]. Save for the above, as of the Latest Practicable Date, we did not have any outstanding loans or non-trade balances granted, guaranteed or pledged by any of our Controlling Shareholders.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders after the [REDACTED].

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it/he/she did not have any interest in other business, 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, 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 Company and our Controlling Shareholders:

(a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

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

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(d) we are committed that our Board shall include a balanced composition of executive Director and independent non-executive Directors. We have three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management";

(e) 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;

(f) we have appointed Rainbow Capital as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance;

(g) we have applied for and have been [granted] waivers from strict compliance with Rule 8.12 of the Listing Rules pursuant to Rule 19A.15 of the Listing Rules (regarding management presence in Hong Kong) and Rules 3.28 of the Listing Rules pursuant to Rule 8.17 of the Listing Rules (regarding the qualification of joint company secretaries) of the Listing Rules. We have implemented specific arrangements, including the appointment of authorized representatives and a compliance adviser, to address these requirements. For details, see "Waivers from Strict Compliance with the Listing Rules" in this document.

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