OVERVIEW

As of the Latest Practicable Date, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held in aggregate of approximately 43.72% of the total issued share capital of our Company.

Mr. Luo is the sole general partner of each of Weiyou Gongchuang and Weiyong Gongying. Shenzhen Yichen is the sole general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui. Shenzhen Yichen is wholly-owned by Mr. Luo. Each of Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng is our Employee Incentive Platform and each of Weiyou Gonghui, Weiyou Gongying and Shenzhen Yichen is an investment platform controlled by Mr. Luo.

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui and Shenzhen Yichen will become a group of our Controlling Shareholders, directly and indirectly holding an aggregate of approximately **[REDACTED]**% of the total issued share capital of our Company.

COMPETING INTERESTS

None of our Controlling Shareholders was, as of the Latest Practicable Date, interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors consider that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon **[REDACTED]**, our Board will consist of seven Directors, comprising four executive Directors and three independent non-executive Directors, and we also have six senior management members (of which four are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, please see the section headed "Directors and Senior Management" in this document.

Mr. Luo, our chairman of the Board, executive Director and general manager, is a Controlling Shareholder. Save as disclosed in this paragraph, all our other Directors and other senior management members are independent from our Controlling Shareholders.

Our Directors consider that our Group will be able to operate independently of our Controlling Shareholders after **[REDACTED]** for the following reasons:

(i) the decision-making mechanism of our Board set out in the Articles of Associations includes provisions on avoiding conflicts of interest by providing, among other things, that in the event of a conflict of interest, such as considering any resolution on transaction or arrangement in which our Controlling Shareholders or any of their respective close associates has a material interest, such Directors who are connected with our Controlling Shareholders and the transactions shall abstain from voting and shall not be counted in the quorum. Such resolutions shall be passed by a simple majority of our Directors present at the meeting who are not connected with matters being considered;

(ii) there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest between our Group and our Controlling Shareholders (if any). For further details, please refer to the paragraph headed "Corporate Governance Measures" in this section. Therefore, the dual roles as Controlling Shareholder and executive Director assumed by Mr. Luo will not affect the requisite degree of his impartiality as our Director in discharging his fiduciary duties owed to our Company;

(iii) the daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including finance, accounting, human resources and business management on a standalone basis;

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

(v) we have appointed three independent non-executive Directors and believe our 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. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that our independent non-executive Directors have sufficient knowledge, experience and capability to provide an independent opinion in the decision-making process of our Board to protect the interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after the **[REDACTED]**, we have full rights to make all decisions regarding, and to carry out, our own business operations independently. We hold all requisite licenses and intellectual properties that are material to the operation of our business. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders. We have established our own sales and marketing, finance, legal and general administrative functions which operate independently from our Controlling Shareholders.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group has our own internal control, accounting and financial management system and we make financial decisions independently according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Controlling Shareholders or their respective close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently, and has adequate internal resources and credit profile to support our daily operations. As of the Latest Practicable Date, our Group had interest-bearing bank borrowings in the principal amount of RMB40.9 million guaranteed by Mr. Luo, which will be repaid before the **[REDACTED]** upon maturity and personal guarantees provided by Mr. Luo will be released accordingly.

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of sound corporate governance in protection of our Shareholders' interests. Our Company have/will put in place sufficient and effective corporate governance measures to manage conflicts of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(i) the decision-making mechanism of our Board in the Articles of Association has included provisions to avoid conflicts of interest by requiring, among other things, that in the event of a conflict of interest, such as the consideration of a resolution in respect of a transaction or arrangement in which our Controlling Shareholders or any of their close associates has a material interest, such Directors interested in the transaction shall abstain from voting and shall not be counted in the quorum of the meeting;

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

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon **[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 requirements under the Listing Rules;

(iv) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors: (a) possess sufficient experience; (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment; and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole;

(v) our independent non-executive Directors shall review, on an annual basis, any conflict of interests between our Group and our Controlling Shareholders or their respective close associates, and our Controlling Shareholders shall provide our independent non-executive Directors with all necessary information for consideration. Where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgment, the appointment of such independent professionals will be made at the expense of our Company;

(vi) we have appointed Somerley Capital Limited as our compliance advisor to provide us with advice and guidance in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(vii) we have established the Audit committee, the Remuneration Committee and the Nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors believe that sufficient corporate governance measures have been/will be put in place to manage conflict of interests that may arise between our Group and our Controlling Shareholders and to protect our Shareholders' interests as a whole after the **[REDACTED]**.