OVERVIEW

As of the Latest Practicable Date, Mr. Yang was entitled to exercise voting rights attaching to 44.64% of our total issued Shares through his direct ownership, and was entitled to control the exercise of voting rights attaching to 14.75% of our Shares held by Fuzhou Zixun LP in his capacity as the general partner of Fuzhou Zixun LP. Therefore, Mr. Yang and Fujian Zixun LP were together entitled to exercise or control the exercise of voting rights attaching to 59.39% of our total issued Shares as of the Latest Practicable Date. Insofar as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Yang and Fuzhou Zixun LP will be together entitled to exercise or control the exercise of the voting rights attaching to [**REDACTED**]% of the total issued Shares of our Company (excluding any Treasury Shares) and thus will remain as our Controlling Shareholders. For the shareholding and corporate structure of our Group, see "History, Development and Corporate Structure — Capitalization."

Mr. Yang is our founder, the chairman of our Board, an executive Director and our chief executive officer. Fuzhou Zixun LP is our Employee Incentive Platform. For further background of Mr. Yang, see "Directors and Senior Management."

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Each of our Controlling Shareholders has confirmed that he/it does not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and/or their respective close associates after the [**REDACTED**] for the following principal reasons.

Management Independence

Our Board consists of seven Directors, comprising three executive Directors and four independent non-executive Directors. For more information, please see the section headed "Directors and Senior Management."

Mr. Yang is the chairman of our Board, an executive Director and our chief executive officer. Notwithstanding the roles of Mr. Yang in our Board and/or our senior management team, our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(a) our daily management and operations are carried out by the executive Directors and the 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 Group;

(b) save for Mr. Yang, our executive Directors and senior management members do not hold any role as an executive director or member of senior management in any associates of our Controlling Shareholders;

(c) each of our Directors is fully 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 interests of our Company and all our Shareholders as a whole and does not allow any conflict between his/her duties as a Director and his/her personal interest to exist;

(d) all of our four independent non-executive Directors are independent of our Controlling Shareholders and have extensive experience in their respective areas of expertise. All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of our Board are made only after due consideration of independent and impartial opinions;

(e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Controlling Shareholders or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and will abstain from voting at the relevant meeting and will not be counted towards the quorum; and

(f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see "— Corporate Governance Measures" in this section for further information.

Based on the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that the Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole. Our Board together with our senior management team, therefore, is able to perform the managerial role in our Group independently.

Operational Independence

We are in possession of all production and operating facilities and technology relating to our Group's business and have obtained relevant requisite qualifications and approvals for conducting all our business.

We have independent access to customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue, staffing or operation and management activities, and we have sufficient capital, facilities and personnel to operate our business independently from our Controlling Shareholders. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

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

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit, and internal control functions independent from our Controlling Shareholders and their close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their close associates.

We do not expect to rely on our Controlling Shareholders and/or their close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [**REDACTED**] from the [**REDACTED**]. As of the Latest Practicable Date, we did not obtain any borrowing, guarantees, pledges and mortgages from our Controlling Shareholders and/or their close associates.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and 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 measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) under the Articles of Association, where our Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to vote only for or only against any particular resolution of our Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;

(b) 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 associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders. Our Controlling Shareholders 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 purpose of their annual review. Our Company will disclose decisions of the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(d) we have established our Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules. All of the members of our Audit Committee, including the chairman, are independent non-executive Directors;

(e) 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 expense; and

(f) we have appointed Guotai Junan Capital Limited as our Compliance Advisor 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 that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].