OVERVIEW

As of the Latest Practicable Date, Mr. Zhang Hejun is entitled to exercise an aggregate of approximately 60.26% of the voting rights at the general meetings of our Company through:

(i) 283,468,685 Shares held directly by him, representing approximately 22.26% voting rights in our Company;

(ii) 448,128,479 Shares held by Aisirui Investment, representing approximately 35.20% voting rights in our Company;

(iii) 20,390,003 Shares held by Hengli Venture Investment, representing approximately 1.60% voting rights in our Company;

(iv) 8,851,046 Shares held by Ms. Lu Yazhu, the spouse of Mr. Zhang Hejun, representing approximately 0.70% voting rights in our Company; and

(v) 6,462,394 Shares held by Depai Venture Investment, representing approximately 0.51% voting rights in our Company.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Zhang Hejun will be directly and indirectly entitled to exercise an aggregate **[REDACTED]**% of the voting rights at the general meetings of our Company. Therefore, Mr. Zhang Hejun, Aisirui Investment, Hengli Venture Investment, Ms. Lu Yazhu and Depai Venture Investment will constitute a group of Controlling Shareholders of our Company 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, he/she/it 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we can carry on our business independently from our Controlling Shareholders and/or their respective close associates after the **[REDACTED]**.

Management Independence

Upon completion of the **[REDACTED]**, our Board will comprise nine Directors, comprising four executive Directors, one non-executive Director and four independent non-executive Directors. See "Directors and Senior Management" in this document for details.

Our Directors believe that our Board and senior management are able to manage our business and function independently from our Controlling Shareholders and/or their respective associates based on the following reasons:

(a) save for Mr. Zhang Hejun who is one of our Controlling Shareholders, none of the other Directors or members of our senior management team hold any position in our Controlling Shareholders or their respective associates;

(b) each of our Directors 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 interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(c) 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 Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(d) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decisions unless authorized by our Board;

(e) our Board has a balanced composition of executive Directors, non-executive Directors, and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with any of our Controlling Shareholders or their respective close associates; (ii) our independent non-executive Directors, details of whom are set out in the section headed "Directors and Senior Management" in this document, together possess the requisite knowledge, expertise and experience for their views to carry weight and 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

(f) upon **[REDACTED]**, we will adopt a series of corporate governance measures and sufficient and effective internal 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" in this section for details.

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

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company upon **[REDACTED]**, we believe that we can operate our business independently from our Controlling Shareholders due to the following reasons:

(a) we hold and enjoy the benefit of all relevant qualifications, licenses and intellectual property rights necessary to operate our business;

(b) we have independent access to customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue; we also have a sufficient level of operations, assets, facilities, technologies and employees including research and development employees to support our own **[REDACTED]** status and to operate and function independently from our Controlling Shareholders;

(c) we also maintain a comprehensive set of internal control procedures for facilitating the effective and independent operation of our business. With reference to the relevant laws, regulations and rules, we have developed sound corporate governance practice and have adopted our rules of procedure for general meetings, rules of procedure for Board meetings and connected transactions regulations; and

(d) we have our own financial department, human resources and administration department and audit department. These departments are led and supervised by our own senior management team who reports to our Board. In addition, we have our own internal financial procedures and prepare our own financial budget 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 of the Latest Practicable Date, we did not have any outstanding loans, guarantees or other form of financial assistance provided by our Controlling Shareholders or their respective close associates to our Group.

Based on the above, our Directors believe that from a financial perspective, we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates and are able to maintain our financial independence.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (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) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(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 Directors and non-executive Directors (including independent non-executive Directors). Upon **[REDACTED]**, our Board will include four independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experience, (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 impartial and independent opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors and Senior Management" in this document for details;

(e) 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 our independent non-executive Directors for their annual review;

(f) our Company will disclose decisions on matters reviewed by our independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(g) 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;

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

(i) we have appointed Changjiang Corporate Finance (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with 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 Company and our Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.