

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

### OVERVIEW

As of the Latest Practicable Date, Mr. Jiang was interested in approximately 34.81% of the total issued share capital of our Company, comprising 24.21% Shares directly owned by Mr. Jiang and 10.60% Shares indirectly owned through Zibo Wangzhiyi, which is majority-owned and controlled by Mr. Jiang. See “History, Development and Corporate Structure – Corporate Structure Immediately Prior to The Completion of The [REDACTED]” in this document for details. Immediately following completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), our group of Controlling Shareholders will be entitled to exercise the voting rights attached to approximately [REDACTED]% of the total issued share capital of our Company. Accordingly, Mr. Jiang and Zibo Wangzhiyi will remain as a group of our Controlling Shareholders immediately after the [REDACTED]. Mr. Jiang is the chairman of our Board and an executive Director. For further information of Mr. Jiang, see the section headed “Directors and Senior Management”. For further information of Zibo Wangzhiyi, see the section headed “History, Development and Corporate Structure”. For details of the shareholding of our Controlling Shareholders immediately prior to and following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), see the section headed “History, Development and Corporate Structure” in this document. Mr. Jiang confirmed that during the Track Record Period and up to the Latest Practicable Date, apart from the business of our Group, he did not have any interest in other business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

### INDEPENDENCE OF OUR BUSINESS

We believe that we are capable of carrying on our business independently from the Controlling Shareholders and/or his close associates upon the [REDACTED] for the following reasons:

#### Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own independent departments to support the operations and management of our current business. We have registered the relevant intellectual property rights relating to relevant technologies of our business and our product. We hold the licenses and qualifications necessary to carry on our current business, and have sufficient capital, facilities, technology and employees to operate the business independently from Mr. Jiang and his close associates. We have access to suppliers and customers independently from and not connected to Mr. Jiang and his close associates. Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and his close associates.

#### Management Independence

Our Board comprises seven Directors, including four executive Directors and three independent non-executive Directors. For the biographies of our 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 others, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. 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 close associates, the interested Director(s) shall abstain from voting on the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. Further, we believe our independent non-executive Directors will bring independent judgment to the decision-making process of our Board. Please see “– Corporate Governance” in this section for further details. Based on the above, our Directors are satisfied that our Board as a whole together with our senior management are able to perform the

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managerial role in our Group independently from our Controlling Shareholders and his close associates.

### Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for the financial control, accounting, and reporting functions of our Company. We can make financial decisions independently and our Controlling Shareholders and/or his associates do not intervene with our use of funds. As of the Latest Practicable Date, there were no loans, advances and balances due to and from our Controlling Shareholders and/or his associates, and no share pledges or guarantees provided by our Controlling Shareholders and/or his associates on our borrowings. Our source of funding is independent from our Controlling Shareholders and/or his associates and neither our Controlling Shareholders nor his associates had financed our operations during the Track Record Period and up to the Latest Practicable Date. Our Directors believe that we are able to obtain financing independently from our Controlling Shareholders and/or his associates. Based on the above, our Directors are of the view that our Directors and our senior management are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and/or his close associates after the [REDACTED]. We have also established an audit committee comprising three independent non-executive Directors in compliance with Rule 3.21 of the Listing Rules.

### 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 Group and our Controlling Shareholders: 1. where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of his associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting; 2. 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 his close associates, our Company will comply with the applicable Listing Rules; 3. our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders; 4. our Controlling Shareholders will 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 Annual Review; 5. our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements; 6. 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; and 7. we have appointed Rainbow Capital (HK) Limited as our compliance adviser to provide advice and guidance 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 between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].