
RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date and immediately prior to the [REDACTED], Mr. Wang controlled 28.15% of the aggregate voting power of our total issued and outstanding Shares, through (i) Zhaosen, which is controlled by Huisen Holding Limited, a limited company wholly owned by Sen Talent Holdings Limited, and in turn wholly owned by Ark Trust (Singapore) Ltd., (ii) Ms. Zhou, being Mr. Wang’s spouse, (iii) Senyan, an employee shareholding platform incorporated in BVI and wholly owned by Xiasen Limited, which is controlled by Mr. Wang as its general partner, and (iv) the Offshore AIC Parties, being Mr. Wang, Mr. Ji, Zhaosen, Weisen and Senyan, all of which agreed, among other things, to vote at the Shareholders’ meetings in accordance with the instructions of Mr. Wang in relation to all matters put before the Shareholders or cause the Director appointed by the Offshore AIC Parties to vote pursuant to the opinion of Mr. Wang in relation to all matters put before the Board, pursuant to the Offshore Acting-in-concert Agreement. Weisen is controlled by Guosen Holding Limited, a limited company wholly owned by Sen Platform Holdings Limited, and in turn wholly owned by Ark Trust (Singapore) Ltd. is engaged by Mr. Wang (for his own family trust) and Mr. Ji (for his own family trust), respectively, and in each applicable case to act in accordance with the instructions of Mr. Wang and Mr. Ji, as the trustee of a family trust established by each of Mr. Wang and Mr. Ji respectively, in each case as the settlor the beneficiaries of which respective family trust in each case includes Mr. Wang, Mr. Ji and their family members, respectively. For details of the arrangements agreed among the Offshore AIC Parties, see “History, Reorganization and Corporate Structure—Acting in Concert Arrangements—Offshore Acting-in-concert Agreement”. Therefore, Mr. Wang, Mr. Ji, Zhaosen, Weisen, Senyan, Ms. Zhou, Huisen Holding Limited, Sen Talent Holdings Limited, Guosen Holding Limited, Sen Platform Holdings Limited, Ark Trust (Singapore) Ltd. and Xiasen Limited comprise our Single Largest Group of Shareholders before the [REDACTED].

Immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that (a) the [REDACTED] is not exercised; (b) 23,761,790 Shares will be issued pursuant to the exercised options under the [REDACTED] Share Option Plan immediately after the completion of the [REDACTED] and the [REDACTED]; and (c) no other shares are issued pursuant to the [REDACTED] Share Option Plan), our Single Largest Group of Shareholders will continue to control approximately [26.72]% of the aggregate voting power of our total issued and outstanding Shares and will remain as our Single Largest Group of Shareholders upon [REDACTED]. For details of the shareholding of our Single Largest Group of Shareholders immediately prior to and following the completion of the [REDACTED], see “History, Reorganization and Corporate Structure”.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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

Management Independence

We are able to carry on our business independently from our Single Largest Group of Shareholders from a management perspective. Our Board consists of 7 Directors, including 4 executive Directors and 3 independent non-executive Directors.

- (a) each Director 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 interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and

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will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management”;

- (c) we have 3 independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group 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; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of 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 Group independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Operational Independence

We do not rely on the Single Largest Group of Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Single Largest Group of Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property 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 the Single Largest Group of Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We do not expect to rely on the Single Largest Group of 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, bank loans as well as the [REDACTED] from the [REDACTED].

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Single Largest Group of Shareholders and their respective close associates. As of the Latest Practicable Date, there was no outstanding loans or

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guarantee provided by or granted to our Single Largest Group of Shareholders and their respective close associates. During the Track Record Period and as of the Latest Practicable Date, we had received a series of [REDACTED] Investments from third-party investors independently. See “History, Reorganization and Corporate Structure” for details of the [REDACTED] Investments.

Based on the above, our Directors believe that we do not place undue reliance on the Single Largest Group of Shareholders after [REDACTED].

INTERESTS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

None of the members of our Single Largest Group of Shareholders was, as of the Latest Practicable Date, interested in any business which competes, or is likely to compete, directly or indirectly, with the business of our Group or would otherwise 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 Group and our Single Largest Group of Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Single Largest Group of Shareholders and their respective close associates has a material interest, the Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with the Single Largest Group of Shareholders and their respective associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual and independent basis, whether there is any conflict of interests between the Group and the Single Largest Group of Shareholders (the “Annual Review”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) the Single Largest Group of 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 Annual Review;
- (e) 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;
- (f) 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

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- (g) we have appointed Guotai Junan Capital Limited 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.

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 the Single Largest Group of Shareholders, and to protect minority Shareholders’ interests after **[REDACTED]**.