

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

### OUR CONTROLLING SHAREHOLDERS

Mr. WU Xubo is our co-founder, executive Director, chairman of the Board and chief executive officer. Immediately following the completion of the [REDACTED], Mr. WU Xubo, indirectly through WXB BVI 2, will hold 264,263,000 Shares, representing approximately [REDACTED]% of our total issued Shares (assuming the [REDACTED] is not exercised). WXB BVI 2 is owned by WXB BVI 1 and WXB Holdco as to 50.0% and 50.0%, respectively. WXB BVI 1 is wholly-owned by Mr. WU Xubo. WXB Holdco is wholly-owned by WxLand Trust, a discretionary trust established by Mr. WU as the settlor and its beneficiaries are WXB BVI 1 and Mr. WU Xubo. Under the trust deed of the WxLand Trust, Mr. WU Xubo in his capacity as investment decision-maker of WxLand Trust shall have sole power to make decisions relating to the exercise of the voting rights in the shareholders’ meeting of WXB BVI 2 through WXB Holdco. Accordingly, Mr. WU Xubo, WXB BVI 1, WXB BVI 2 and WXB Holdco are our group of Controlling Shareholders upon the [REDACTED] under the Listing Rules.

### COMPETITION

Each of our Controlling Shareholders and Directors has confirmed that he or she or it or his or her or its respective close associates do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and 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 are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

#### Management Independence

Our daily operational and management decisions are made collectively by our Board and our senior management. Our Board consists of two executive Directors and three independent non-executive Directors. We believe our Directors and senior management can independently perform their duties in our Company and we can operate independently from our Controlling Shareholders, for the following reasons:

- (a) 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 all our Shareholders as a whole, and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) 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

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respective close associates, the interested Director(s) 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;

- (c) our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with our Controlling Shareholders or their close associates; (ii) our independent non-executive Directors account for more than half of our Board; and (iii) our independent non-executive Directors individually and collectively possess the requisite knowledge as independent directors of listed companies and will be able to provide professional and experienced advice to our Company. Our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and
- (d) we have implemented corporate governance measures and adopted sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See “– Corporate Governance Measures” in this section.

Based on the above, our Directors are satisfied that we are able to manage our business independently from our Controlling Shareholders and/or their close associates after the [REDACTED].

### Operational Independence

Our operations do not depend on our Controlling Shareholders and/or their close associates for the following reasons:

- (a) our Group holds all the relevant material intellectual property rights, licenses, qualifications and permits required for conducting our Group’s business;
- (b) our Group has sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and/or their close associates;
- (c) we have our own accounting and financial department, human resources and administration department, internal control department and technology department;
- (d) we have independent access to, among others, customers, suppliers, experts and other resources required for our Group’s business. We can exercise independent rights to make and implement our operational decisions without regard to our Controlling Shareholders; and
- (e) We have established a set of internal control procedures and adopted corporate governance practices to facilitate the effective operation of our business.

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Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders and/or their close associates after the [REDACTED].

### Financial Independence

Our Group has an independent internal control, accounting and financial management system as well as an independent finance department which makes financial decisions according to our Group's own business needs. Our Group's accounting and finance functions are independent of our Controlling Shareholders and/or their close associates.

We have sufficient capital and banking facilities to operate our business independently, and have adequate resources to support our daily operations. In addition, our Group has an independent financial system and makes financial decision according to our own business needs. Our source of funding is independent from our Controlling Shareholders and/or their close associates. As of April 30, 2023, there were no loans, advances and balances due to and from and guarantee provided by our Controlling Shareholders and/or their close associates. Further, there is no security over assets and guarantees provided by our Controlling Shareholders and/or their close associates on our Group's borrowing. Our Directors confirm that our Group does not intend to obtain any borrowing, guarantees, pledges or mortgages from our Controlling Shareholders and/or their close associates.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and/or their close associates after the [REDACTED].

### CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to manage potential conflicts of interest between our Group and our Controlling Shareholders and/or their close associates:

- (a) under the Articles, where a Shareholders' meeting is held for considering proposed transactions in which our Controlling Shareholders and/or their close associates have a material interest, our Controlling Shareholders and/or their close associates shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Controlling Shareholders and/or their close associates, our Controlling Shareholders and/or their close associates shall

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provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;

- (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisers at our Company’s cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules;
- (e) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent Shareholders’ approval requirements (if applicable) under the Listing Rules; and
- (f) we have appointed Somerley Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors’ duties and 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/or their close associates to protect minority Shareholders’ rights after the [REDACTED].