
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon the exercise of any options granted under the [REDACTED] Share Option Scheme and [REDACTED] Share Option Scheme, and vesting of RSUs granted under the [REDACTED] RSU Plan and [REDACTED] RSU Plan):

1. one of our Controlling Shareholders, EDA Shine International Limited will directly hold approximately [REDACTED] of our total number of issued Shares. EDA Shine International Limited is wholly owned by Edaurora Holdings Limited, which is wholly owned by Mr. Liu Yong, our executive Director, the chairman of our Board and a controlling shareholder of our Group. Each of EDA Shine International Limited, Edaurora Holdings Limited and Mr. Liu Yong will be regarded as our Controlling Shareholders under the Listing Rules; and
2. the members of the Lesso Consortium will be interested in approximately [REDACTED] of our total number of issued Shares. Because each member of the Lesso Consortium is acting in concert with each other, they will together be entitled to exercise and control the voting power in the general meetings of our Company attached to these Shares, and will collectively be regarded as our Controlling Shareholders under the Listing Rules. For further details of the identities of, and relationship among, each member of the Lesso Consortium as well as their respective shareholdings in our Company, see “— Controlling Shareholders acting in concert” in this section and “Substantial Shareholders” in this document.

The Lesso Consortium comprises (i) LS DiDi Network Technology Limited; (ii) Samanea China Holdings Limited; (iii) Lesso Home International Holdings Limited; (iv) China Lesso Group Holdings Limited; (v) Mr. Wong Luen Hei; (vi) Ms. Zuo Xiaoping; (vii) Zhan Hua Limited; (viii) Mr. Zuo Manlun, our Non-executive Director; (ix) Dawnhill Group Limited; (x) Mr. Luo Jianfeng, our Non-executive Director; (xi) LittleBear Investment Limited; (xii) Mr. Cheung Man Yu, our executive Director; (xiii) QCJJ Group Limited; (xiv) QCZC Group Limited; (xv) Ms. Tang Jia Jia; (xvi) QCBM Group Limited; and (xvii) Mr. Qian Yu Cheng.

Controlling Shareholders acting in concert

In December 2021, each of Mr. Zuo Manlun, Mr. Luo Jianfeng, Mr. Cheung Man Yu, Ms. Tang Jia Jia and Mr. Qian Yu Cheng entered into an acting-in-concert agreement with Samanea in respect of their interests in our Company.

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Mr. Zuo Manlun holds his interest in our Company through his wholly owned company, Zhan Hua Limited. Pursuant to the Takeovers Code, Mr. Zuo Manlun and Zhan Hua Limited are presumed to be parties acting in concert.

Mr. Luo Jianfeng holds his interest in our Company through his wholly owned company, Dawnhill Group Limited. Pursuant to the Takeovers Code, Mr. Luo Jianfeng and Dawnhill Group Limited are presumed to be parties acting in concert.

Mr. Cheung Man Yu holds his interest in our Company through his wholly owned company, LittleBear Investment Limited. Pursuant to the Takeovers Code, Mr. Cheung Man Yu and LittleBear Investment Limited are presumed to be parties acting in concert.

Mr. Zuo Manlun and Mr. Luo Jianfeng are our Non-executive Directors. Mr. Cheung Man Yu is our executive Director. For further details of their backgrounds, see “Directors and Senior Management” in this document.

Ms. Tang Jia Jia holds her interest in our Company through her wholly owned company, QCJJ Group Limited. QCZC Group Limited is wholly owned by Ms. Tang Jia Jia. Pursuant to the Takeovers Code, Ms. Tang Jia Jia, QCZC Group Limited and QCJJ Group Limited are presumed to be parties acting in concert.

Mr. Qian Yu Cheng holds his interest in our Company through his wholly owned company, QCBM Group Limited. Pursuant to the Takeovers Code, Mr. Qian Yu Cheng and QCBM Group Limited are presumed to be parties acting in concert.

As (i) LS DiDi Network Technology Limited is owned as to 70.0% by Samanea; (ii) Samanea is wholly owned by Lesso Home International Holdings Limited; (iii) Lesso Home International Holdings Limited is wholly owned by China Lesso Group Holdings Limited; and (iv) China Lesso Group Holdings Limited is controlled by Mr. Wong Luen Hei and his spouse, Ms. Zuo Xiaoping, pursuant to the Takeovers Code, LS DiDi Network Technology Limited, Samanea, Lesso Home International Holdings Limited, China Lesso Group Holdings Limited, Mr. Wong Luen Hei and Ms. Zuo Xiaoping are presumed to be parties acting in concert.

Therefore, the members of the Lesso Consortium are a group of Controlling Shareholders acting in concert, and will be deemed to control approximately [REDACTED] of our total number of issued Shares.

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DELINEATION OF BUSINESS

Apart from our business in the provision of one-stop end-to-end B2C export e-commerce supply chain solutions, Lesso is currently operating a business to provide logistics services to deliver goods from the PRC to South East Asia (the “**Excluded Business**”).

The Excluded Business are operated by Sea Lark Solution Limited (東南雲雀科技有限公司) and Sea Lark Technology (Shenzhen) Company Limited (雀橋科技(深圳)有限公司), indirect wholly-owned subsidiaries of Lesso. None of the entities under the Excluded Business had been the subject of any material non-compliant incidents, claims, litigation or legal proceedings, whether actual or threatened, during the Track Record Period and up to the Latest Practicable Date.

The operations of our Group are independent of and separate from the Excluded Business, and our Directors are of the view that there is a clear delineation between the Excluded Business and our businesses. The management of Lesso and our Group decided not to inject the Excluded Business into our Group as it would bring about no apparent commercial benefits as well as unnecessary costs for such restructuring (including the time and costs for integrating two entirely separate businesses which involve different management, employees and business reporting lines). In addition, as Lesso utilized the same human resources for the operation of its property leasing business as the Excluded Business without a separate business reporting line during the Track Record Period, there would be practical difficulties in merging the Excluded Business into our Group.

Our Directors do not expect there to be any overlap or competition of the Excluded Business and our Group’s business after the [REDACTED] due to the following reasons:

Different geographical presence: our Group mainly provides supply chain solutions that transport goods from Greater China to North America, Europe and Australia. Our Group does not and will not transport goods to South East Asia. On the other hand, the Excluded Business is limited only to the transfer of goods from Greater China to South East Asia, and involves no export activities to North America, Europe and Australia. As the destinations of the goods transported under our business and the Excluded Business are in different continents, our Directors consider that there is neither overlap nor competition in the services provided between our Group and the Excluded Business.

No meaningful competition between Lesso and our Group: the revenue derived from the Excluded Business is immaterial to Lesso as a whole. The historical transaction amounts deriving from the South East Asia Logistics Services for FY2021, FY2022 and FY2023, were RMB0.2 million, RMB1.5 million and RMB[9.8] million, respectively, representing 0.0%, 0.0% and [•]% of

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the total revenue of Lesso for the respective periods. Lesso’s main business has been and will continue to be the manufacturing and sale of plastic piping systems, and its building materials and home improvement business. On the other hand, our Group does not derive any revenue from transporting goods to South East Asia at all. In addition, for illustration purposes, the historical transaction amounts that Lesso received from its Excluded Business would also be insignificant sums to our Group, as they would account for only 0.0% of Shenzhen EDA Group’s total revenue for FY2021 and 0.2% and [0.8]% of the total revenue of our Group for FY2022 and FY2023, respectively, had our Group undertaken the Excluded Business. Based on the above, our Directors are of the view that no meaningful competition is considered to exist between the Excluded Business and our business.

No involvement in any other logistics services which may overlap with our Group: during the Track Record Period and up to the Latest Practicable Date, except the Excluded Business, the Lesso did not engage in any logistic services with asset-light model, and as confirmed by our Directors, Lesso has no intention to expand its logistics services with asset-light model beyond the Excluded Business after our Group’s [REDACTED].

Undertaking from Lesso: in order to further strengthen the clear delineation between our business and the Excluded Business, Lesso and its controlling shareholder [entered] into a deed of non-competition in favour of our Group that will take effect upon completion of the [REDACTED], pursuant to which the Lesso will undertake not to, directly or indirectly, carry on, participate or engage in any business which is in competition with our business. For further details, see “— Deed of Non-competition” in this section.

RULE 8.10 OF THE LISTING RULES

Neither our Controlling Shareholders nor any of our Directors, including their respective close associates, was, as of the Latest Practicable Date, interested in any business, other than our Group, which, competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to 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 out our business independently of our Controlling Shareholders and their close associates after Listing.

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Operational Independence

Our Company makes business decisions independently. We have established our own organizational structure with independent departments, and each department is assigned to specific areas of responsibilities. We maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business. We have sufficient capital, facilities, premises and employees to operate our business independently from our Controlling Shareholders and their close associates. We have independent access to suppliers and customers and are not dependent on our Controlling Shareholders and their close associates with respect to supplies for our business operations. We are also in possession of all relevant licenses necessary to carry out and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently.

Although during the Track Record Period, there had been transactions between us and our related parties, details of which are set out in Notes 31 and 27 set forth in the Accountants’ Reports contained in Appendices IA and IB to this document, respectively, our Directors have confirmed that these related party transactions, were conducted on normal commercial terms or better to us. Save as disclosed in “Connected Transactions” of this document, none of the historical related party transactions with the connected persons as defined in the Listing Rules are expected to continue after the [REDACTED].

During the Track Record Period, except for the dual roles in Lesso and our Group assumed by each of Mr. Zuo Man Lun, Mr. Luo Jianfeng and Mr. Cheung Man Yu as detailed in “Independence from Our Controlling Shareholders — Management Independence” in this section, there were no sharing of personnel, resources or premises between our Group and our Controlling Shareholders.

Accordingly, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises three executive Director(s), two Non-executive Director(s) and three Independent Non-executive Directors. See “Directors and Senior Management” in this document for more details of our Directors. Mr. Liu Yong, our executive Director and chairman of the Board, is a Controlling Shareholder of our Group. Mr. Cheung Man Yu, our executive Director, our chief financial officer and our company secretary is a director of a wholly-owned subsidiary of Lesso and a member of the Lesso Consortium hence a Controlling Shareholder of our Group. Each of Mr. Zuo Manlun and Mr. Luo Jianfeng, our Non-executive Directors, is an executive director of Lesso

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and a member of the Lesso Consortium hence a Controlling Shareholder of our Group. Save as disclosed in this paragraph, all the other Directors and other members of our senior management are independent from our Controlling Shareholders.

Our directors consider that our Group will be able to operate independently of our Controlling Shareholders upon [REDACTED] for the following reasons:

- (a) the Excluded Business does not compete with our core business, and there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest. Therefore, the dual roles in Lesso and our Group assumed by each of Mr. Zuo Man Lun, Mr. Luo Jianfeng and Mr. Cheung Man Yu in most cases will not affect the requisite degree of impartiality of Mr. Zuo Man Lun, Mr. Luo Jianfeng and Mr. Cheung Man Yu as our Directors in discharging their fiduciary duties owed to our Company;
- (b) although Mr. Zuo Man Lun and Mr. Luo Jianfeng hold directorship in Lesso, each of them only serves as a non-executive Director of our Company and they will not be involved in the day-to-day operations of our Group;
- (c) the daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including finance, accounting, human resources and business management on a standalone basis;
- (d) each Director is aware of his or her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests; and
- (e) further, we believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum.

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Based on the above, our Directors are satisfied that our Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Financial Independence

Our Group has established an independent financial department with a team of independent financial staff, as well as a sound and independent financial system and makes financial decisions according to our Group's own business needs. Our Group has adequate capital to operate our business independently, and has sufficient internal resources to support our daily operations.

During the Track Record Period, our Group had certain non-trade related amounts due from our Controlling Shareholder, as disclosed in Note 31 of the Accountants' Report of our Group in Appendix IA and Note 27 of the Accountants' Report of Shenzhen EDA Group in Appendix IB to this document, all of which will be fully settled prior to or upon the [REDACTED].

During the Track Record Period, our Group had certain borrowings which were guaranteed by our Controlling Shareholder and his close associate, as disclosed in Note 26 of the Accountants' Report of our Group in Appendix IA and Notes 24 and 27 of the Accountants' Report of Shenzhen EDA Group in Appendix IB to this document, all of which will be fully settled prior to or upon the [REDACTED].

Our Group has sufficient capital to operate its business independently, and has adequate internal resources and a strong credit profile to support its daily operations. There will be no financial assistance, security and/or guarantee provided by our Controlling Shareholders or their close associates in favor of our Group or vice versa upon the [REDACTED]. We engaged an independent internal control consultant to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Having considered that our future operations are not expected to be financed by our Controlling Shareholders or their close associates, we believe our Group is financially independent from our Controlling Shareholders and their close associates.

DEED OF NON-COMPETITION

Each of our Controlling Shareholders [has undertaken] to us in the Deed of Non-Competition that he/it will not, and will procure his/its close associates (other than members of our Group) not to directly or indirectly participate, acquire or hold any right or interest in or otherwise be involved in or undertake any business that directly or indirectly competes, or may compete, with our existing business activity or any business activities that our Group may undertake in the future

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(the "Restricted Activity"), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by our Group from time to time except where our Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of our Group and they do not control 10% or more of the board of directors of such company. For the avoidance of doubt, (i) the provision of storage space and storage-related ancillary services at the Controlling Shareholder's self-invested properties; and (ii) conducting the Excluded Business are not regarded as carrying on Restricted Activity.

Pursuant to the Deed of Non-competition, the above restrictions and undertakings will cease to have effect on the earlier of the date on which (i) so far as a Controlling Shareholder is concerned, he/it ceases to be our Controlling Shareholder under the Listing Rules; or (ii) our Shares cease to be [REDACTED].

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-competition includes the following provisions:

- our Independent Non-executive Directors will review, at least on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;
- each of our Controlling Shareholders will and will procure his/its relevant close associates to provide all information necessary for the annual review by our Independent Non-executive Directors for the enforcement of the Deed of Non-competition;
- we will disclose the review by our Independent Non-executive Directors on the compliance with and the enforcement of, the Deed of Non-competition and the decisions on matters reviewed by our Independent Non-executive Directors either through our annual report or by way of announcement to the public in compliance with the Listing Rules;
- each of our Controlling Shareholders will make an annual declaration on the compliance with the Deed of Non-competition in our annual report in accordance with the principle of voluntary disclosure in the corporate governance report; and
- in the event that any of our Directors and/or their respective close associates has material interests in any matter to be deliberated by our Board in relation to the compliance and enforcement of Deed of Non-competition, he/she may not vote on the resolutions of our Board approving the matter and may not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles.

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CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interest of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group, the Controlling Shareholders and/or the Directors:

- (i) where a Shareholders' meeting is held for considering proposed transaction in which the Controlling Shareholders have a material interest, the Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;
- (ii) any transaction between (or proposed to be made between) our Group and the connected persons will be subject to the requirements under Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with relevant requirements under the Listing Rules;
- (iii) in the event that our Independent Non-executive Directors are requested to review any conflict of interests between our Group and the Controlling Shareholders, the Controlling Shareholders shall 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 report or by way of announcements to the public; and
- (iv) Our Company has appointed Opus Capital Limited as our compliance adviser, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and 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 Directors to protect the minority Shareholders' rights after [REDACTED].