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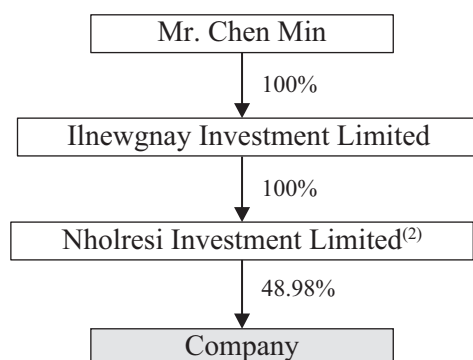
## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Global Offering, Mr. Chen Min will be interested in and will control (i) 12,284,487 Class A Shares (assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised, and no Shares are issued under the Equity Incentive Schemes)<sup>(1)</sup>, and (ii) 68,949,580 Class B Shares, both through Nholresi Investment Limited. Mr. Chen Min will be interested in approximately 10.00% of our issued Shares, representing approximately 48.98% of the voting rights of our issued Shares in general meetings (except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote). Mr. Chen Min, Ilnewgnay Investment Limited and Nholresi Investment Limited together will constitute as a group of Controlling Shareholders of our Company after the Listing.

The following simplified diagram illustrates the ultimate beneficial interest of our Controlling Shareholders' voting rights for resolutions in general meetings with respect to matters other than the Reserved Matters, immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no Shares are issued under the Equity Incentive Schemes):



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*Notes:*

- (1) Mr. Chen Min will be interested in and will control 12,961,431 Class A Shares, representing approximately 48.79% of the voting rights in our Company capable of being exercised on resolutions in general meetings except in relation to Reserved Matters, assuming the Over-allotment Option is not exercised but the Offer Size Adjustment Option is exercised in full, and no Shares are issued under the Equity Incentive Schemes.
- (2) Immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no Shares are issued under the Equity Incentive Schemes), Nholresi Investment Limited will be interested in (i) 12,284,487 Class A Shares (if the Offer Size Adjustment Option is exercised in full, such number of Class A Shares will be adjusted to 12,961,431) and (ii) 68,949,580 Class B Shares, representing approximately 48.98% (or 48.79% if the Offer Size Adjustment Option is exercised in full) of the voting rights in our Company capable of being exercised on resolutions in general meetings except in relation to Reserved Matters, and approximately 10.00% of the voting rights in our Company in relation to Reserved Matters on a one-share-one-vote basis. Nholresi Investment Limited is wholly owned by Ilnewgnay Investment Limited. The entire interest in Ilnewgnay Investment Limited is held by a trust that was established by Mr. Chen Min (as the settlor) with him as the beneficiary. Mr. Chen Min acts as the sole director of Nholresi Investment Limited, and possesses the sole voting power over the shares held by Nholresi Investment Limited. Assuming the Offer Size Adjustment Option is not exercised, 12,072,072 of the Class A Shares (if the Offer Size Adjustment Option is exercised in full, such number of Class A Shares will be adjusted to 12,749,016) will be issued to Mr. Chen Min as restricted shares

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pursuant to the 2019 Share Incentive Plan before Listing (the “Award Shares”) and will be released from the transfer restrictions if the consolidated gross profit of Company for any period of 12 months reaches RMB13,000,000,000 (the “Financial Condition”). Before the Financial Condition is met, Mr. Chen Min (a) will be entitled to exercise the voting rights and to receive dividends with respect to such Class A Shares, but (b) shall not transfer, sell, pledge or in any way dispose of the interest in such Class A Shares. After such Class A Shares are issued but before the Financial Condition is met, our Company shall not repurchase such Class A Shares from Mr. Chen Min, unless (i) Mr. Chen Min no longer holds the position of chief executive officer or Director, (ii) Mr. Chen Min no longer is employed by our Company, (iii) Mr. Chen Min commits gross misconduct as specified under the employees manual of our Company, or (iv) upon the occurrence of any of the events as set out under Rule 8A.17 of the Listing Rules. Our Company shall repurchase such Class A Shares at their nominal value of US\$0.00002 per Share upon the occurrence of the foregoing events. Our Company confirms that the aforementioned arrangement is in compliance with Rule 8A.12 of the Listing Rules. Our Company will disclose in each of our interim and annual reports to be issued after the Listing the following matters: (1) the number of Award Shares held by Mr. Chen Min and the foregoing details, (2) whether the Financial Condition has been met, (3) whether any of the Award Shares has been released to Mr. Chen Min during the relevant reporting period and the number thereof and (4) whether our Company has repurchased any of the Award Shares from Mr. Chen Min during the relevant reporting period and the number thereof.

See section headed “Share Capital — Weighted Voting Rights Structure” for details of the weighted voting rights attached to the Class B Shares.

Our Group operates independently of our Controlling Shareholders. Apart from their interest in our Company, our Controlling Shareholders do not currently have any interest in a business that competes or is likely to compete, either directly or indirectly, with our Group’s business.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

#### Management independence

Our business is managed and conducted by our Board and senior management. Mr. Chen Min, our Controlling Shareholder, is also one of our executive Directors and is chief executive officer of our Company.

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders because:

- a) each Director is aware of their fiduciary duties as a Director which require, among others, that they act for the benefit and in the interest of our Company and do not allow any conflict between their duties as Directors and their 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 will therefore be able to make business decisions that are in the best interests of our Group;
- c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

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- 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 our Directors or their respective associates, the interested Director(s) is(are) required to declare the nature of such interest before voting at the relevant Board meeting; and
- e) we have adopted other corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, as detailed in the subsection headed “—Corporate Governance Measures”.

Based on the above, our Directors believe that our business is managed independently of our Controlling Shareholders.

### **Operational independence**

Our Group is not operationally dependent on the Controlling Shareholders. Our Group (through our subsidiaries) holds all material licences and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

### **Financial independence**

Our Group has an independent financial system and makes financial decisions according to our Group’s own business needs. We have an independent internal control and accounting system and also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

There will be no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates as of the Listing Date.

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders.

## **CORPORATE GOVERNANCE MEASURES**

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognise the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

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In light of this, our Company has established a corporate governance committee pursuant to Rule 8A.30 which has adopted terms of reference consistent with Code Provision D.3.1 of Appendix 14 to, and Rule 8A.30 of, the Listing Rules. The members of the corporate governance committee are independent non-executive Directors with extensive experience in overseeing corporate governance related functions of private and Hong Kong and overseas listed companies. The primary duties of the corporate governance committee are to ensure that our Company is operated and managed for the benefit of all shareholders and to ensure our Company's compliance with the Listing Rules and safeguards relating to the WVR structure of our Company.

Under the Articles of Association, extraordinary general meetings of our Company may be convened on the written requisition of any one or more members holding, as at the date of deposit of the requisition, in aggregate shares representing not less than one-tenth of the paid up capital of our Company, which carry the right of voting at general meetings of our Company. In addition, pursuant to the Shareholder communication policy to be adopted by our Company upon Listing, Shareholders are encouraged to put governance related matters to the Directors and to our Company directly in writing.

We will also adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Controlling Shareholders:

- a) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which our Controlling Shareholders or any of their associates has a material interest, our Controlling Shareholder(s) shall abstain from voting and their votes shall not be counted;
- b) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after the Listing;
- c) the 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;
- d) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;
- e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

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- 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 expense;
- g) we have appointed Guotai Junan Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- h) we have established our audit committee, remuneration committee, nomination committee and corporate governance committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix 14 to the Listing Rules.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.