

---

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

---

### CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), GT & Yangtze, which is owned as to approximately 70.0% by Mr. Liu Haoqiong and as to 30.0% by his spouse, Ms. Tao Xiulan, will directly own approximately 56.2% of the issued share capital of the Company. Accordingly, GT & Yangtze, Mr. Liu Haoqiong and Ms. Tao Xiulan are the controlling shareholders under the Listing Rules.

### COMPETITION

Each of the Controlling Shareholders and the Directors confirms that as of the Latest Practicable Date, neither he/she/it nor any of his/her/its close associates had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group’s business, and requires disclosure under Rule 8.10 of the Listing Rules.

### DEED OF NON-COMPETITION

Each of the Controlling Shareholders has undertaken to the Company in the Deed of Non-Competition that he/she/it will not, and will procure his/her/its close associates (other than members of the Group) not to directly or indirectly be involved in or undertake any business (other than the business engaged by the Group) that directly or indirectly competes, or may compete, with any business engaged by any member of the Group (the “**Restricted Business**”), or hold interest in any companies or business that compete directly or indirectly with the business current or from time to time engaged in by the Group, except where (i) the Controlling Shareholders and/or their close associates individually or collectively hold less than 10% of the total issued share capital of any public company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that directly or indirectly competes, or may compete with the Restricted Business; and (ii) the Controlling Shareholders and/or their close associates individually or collectively hold less than 30% of the total issued share capital of any private company (whose shares are not listed on any stock exchange) which is engaged in any business that directly or indirectly competes or may compete with the Restricted Business, provided that the Controlling Shareholders and their close associates do not have the right to nominate 50% or more members or control the voting rights (including but not limited to control the casting vote) of the board of directors of such public or private companies (collectively, the “**Minority-Interest Companies**”).

Save as any investment opportunities which will make the target companies fall under the Minority-Interest Companies as set out above, each of the Controlling Shareholders has undertaken that if any new business/investment opportunity relating to the Restricted Business (the “**Competing Business Opportunity**”) is identified by/made available to him/her/it or any of his/her/its close associates, he/she/it shall, and shall procure that his/her/its close associates shall, refer such Competing Business Opportunity to the Company on a timely basis and in the following manner:

---

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

---

- refer the Competing Business Opportunity to the Company by giving written notice (the "**Offer Notice**") to the Company of such Competing Business Opportunity within 30 business days of identifying the nature of the Competing Business Opportunity, the investment or acquisition costs and all other details reasonably necessary for the Company to consider whether to pursue such Competing Business Opportunity;
- upon receiving the Offer Notice, the Company shall seek approval from a board committee consisting of Directors who do not have an interest in the Competing Business Opportunity (the "**Independent Board Committee**") as to whether to pursue or decline the Competing Business Opportunity;
- any Director who has actual or potential interest in the Competing Business Opportunity shall abstain from attending (unless their attendance is specifically requested by the Independent Board Committee) and voting at, and shall not be counted in the quorum for, any meeting convened to consider such Competing Business Opportunity;
- the Independent Board Committee shall consider the financial impact of pursuing the Competing Business Opportunity offered, whether the nature of the Competing Business Opportunity is consistent with the Group's strategies and development plans and the general market conditions of the Group's business. If appropriate, the Independent Board Committee may appoint independent financial advisors and legal advisors to assist in the decision-making process in relation to such Competing Business Opportunity;
- the Independent Board Committee shall, within 30 business days of receipt of the written notice referred above, inform the Controlling Shareholders in writing on behalf of the Company its decision whether to pursue or decline the Competing Business Opportunity;
- the Controlling Shareholders shall be entitled but not obliged to pursue such Competing Business Opportunity if he/she/it receives a notice from the Independent Board Committee declining such Competing Business Opportunity or if the Independent Board Committee fails to respond within such 30 business days' period mentioned above; and
- if there is any material change in the nature, terms or conditions of such Competing Business Opportunity pursued by the Controlling Shareholders, he/she/it shall refer such revised Competing Business Opportunity to the Company as if it was a new Competing Business Opportunity.

The Deed of Non-Competition will lapse automatically if the Controlling Shareholders and their close associates cease to hold individually and/or collectively, whether directly or indirectly, 30% or above of the then issued share capital of the Company or the Shares cease to be listed.

---

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

---

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

- the independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by the Controlling Shareholders;
- each of the Controlling Shareholders has undertaken to the Company that he/she/it will provide and procure his/her/its close associates to provide on best endeavor basis, all information necessary for the annual review by the independent non-executive Directors for the enforcement of the Deed of Non-Competition;
- the Company will disclose the review by the independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in its annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules;
- the Company will disclose the decisions on matters reviewed by the independent non-executive Directors (including the reasons for not taking up the Competing Business Opportunity referred to the Company) either through its annual report or by way of announcement to the public; and
- in the event that any of the Directors and/or their respective close associates has material interests in any matter to be deliberated by the Board in relation to the compliance and enforcement of the Deed of Non-Competition, he/she may not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles of Association.

### INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

#### Management Independence

The Board of the Company comprises six executive Directors and three independent non-executive Directors. Although Mr. Liu Haoqiong is the chairman of the Board, an executive Director and also a Controlling Shareholder, the Group’s management and operational decisions are made by all the executive Directors and senior management, all of whom have substantial experience in the industry in which the Group is engaged and/or in their respective fields of expertise. The balance of power and authority is ensured by the operation of the senior management team and the Board. See “Directors and Senior Management” for more details.

Each of the Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of the Company and not allow any conflict between his/her duties as a Director and his/her personal interests. Further, the Company believes that the independent non-executive Directors will bring independent judgment to the decision-making process of the Board. In addition, the Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum present at the particular Board meeting.

---

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

---

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

### Operational Independence

Although the Controlling Shareholders will retain a controlling interest in the Company after the [REDACTED], the Company has full rights to make all decisions regarding, and to carry out, its own business operations independently. The Company (through its subsidiaries) holds or enjoys the benefit of all the relevant licenses necessary to carry on its business, and has sufficient capital, equipment, access to customers and suppliers, and employees to operate its business independently from the Controlling Shareholders and their respective close associates. In addition, the Company's organisational structure is made up of individual departments, each with specific areas of responsibilities. The Company has also established a set of internal control measures to facilitate the effective operation of its business.

The Directors do not expect that any significant transactions will be entered into between the Group and the Controlling Shareholders upon or shortly after the [REDACTED].

Based on the above, the Directors are satisfied that the Company has been operating independently from the Controlling Shareholders and their respective close associates during the Track Record Period and will continue to operate independently.

### Financial Independence

During the Track Record Period and up to the Latest Practicable Date, the Group has its own internal control, accounting and financial management system, accounting and finance department and the Group makes financial decisions according to its own business needs. In addition, the Group does not rely on the Controlling Shareholders and/or their close associates by virtue of their provision of financial assistance.

During the Track Record Period, the Group had certain amounts due to Mr. Liu Haoqiong, a Controlling Shareholder, and his associates, details of which are set out in Notes 26 and 28 to the Accountants' Report set out in Appendix I to this document. All such amounts will be fully settled before [REDACTED].

During the Track Record Period, the Group also received financial assistance from Mr. Liu Haoqiong and Ms. Tao Xiulan, each a Controlling Shareholder, and/or their associates by way of personal guarantees and collateral offered by Mr. Liu Haoqiong, Ms. Tao Xiulan and/or their associates, details of which are set out in Notes 21 and 28 to the Accountants' Report set out in Appendix I to this document. Confirmations have been obtained from the relevant banks that the relevant collaterals will be released, and the relevant guarantees will be replaced by corporate guarantee to be provided by the Company upon [REDACTED].

As such, the Group will be able to obtain bank borrowings in its own name without any financial assistance from the Controlling Shareholders and/or their associates following the [REDACTED]. Therefore, the Directors believe that the Group is capable of obtaining financing from external sources without reliance on the Controlling Shareholders and/or their associates.

---

## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

---

Based on the above, the Directors believe that the Company has the ability to operate independently of the Controlling Shareholders and their respective close associates from a financial perspective and is able to maintain financial independence from the Controlling Shareholders and their respective close associates.

### CORPORATE GOVERNANCE MEASURES

Each of the Controlling Shareholders has confirmed that he/she/it fully comprehends his/her/its obligations to act in the Shareholders' and the Company's best interests as a whole. The Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, the Company has implemented the following measures:

- (a) as part of the preparation for the [REDACTED], the Company has amended the Articles of Association to comply with the Listing Rules. In particular, the Articles of Association provide that, unless otherwise provided, a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with the Company's interest and abstain himself/herself from voting and not be counted towards the quorum on the resolution in which such Director or his/her close associates have a material interest;
- (b) the Company is committed that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). The Company has appointed three independent non-executive Directors and the Company believes the independent non-executive Directors possess sufficient experience, and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of the Shareholders. Details of the independent non-executive Directors are set out in "Directors and Senior Management– Directors – Independent Non-executive Directors";
- (c) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between the Company on the one hand and the Controlling Shareholders and/or the Directors on the other hand, the Controlling Shareholders and/or the Directors shall provide the independent non-executive Directors with all necessary information, and the Company shall disclose the decisions of the independent non-executive Directors either through the annual report or by way of announcements; and
- (d) the Company has appointed Zhongtai International Capital Limited as its compliance advisor, which will provide advice and guidance to the Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.