
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately after the completion of the Global Offering, Prof. Tang, our founder and executive Director, will through Amind beneficially own 6,906,080,602 Class A Shares and be indirectly interested in and control 1,891,820,000 Class B Shares. Each Class A Share has 10 votes per share and each Class B Share has one vote per share capable of being exercised on resolutions in general meetings of our Company. However, for the Reserved Matters, all Class A Shares carry one vote per share.

Assuming (a) the Over-allotment Option is not exercised, (b) each Ordinary Share held by Amind, XWorld, Infinity Vision and Vision Worldwide is converted into one Class A Share and each Ordinary Share held by Shareholders other than Amind, XWorld, Infinity Vision and Vision Worldwide and each Preferred Share is converted into one Class B Share immediately, Prof. Tang will through Amind beneficially own 6,906,080,602 Class A Shares, and be indirectly interested in and control 1,891,820,000 Class B Shares through SenseFancy, which is indirectly held by Amind. SenseFancy is the general partner of each of SenseSmart, SenseVision, SenseForest, SenseLight, SensePoint, SenseSpace and SenseBlue where each of their limited partners are Independent Third Parties. Therefore, immediately upon the completion of the Global Offering:

- (1) Prof. Tang's shareholding will be approximately 26.43% of our total issued share capital and he will be entitled to exercise approximately 70.22% of the voting rights in the Company (except for any resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote, as set out below); and
- (2) In respect of the Reserved Matters, the Class A Shares beneficially owned by Prof. Tang carry one vote per share, and the aggregate percentage of voting rights which Prof. Tang may exercise on resolutions in relation to the Reserved Matter is therefore approximately 26.43%.

Assuming (a) the Over-allotment Option is fully exercised and (b) each Ordinary Share held by Amind, XWorld, Infinity Vision and Vision Worldwide is converted into one Class A Share and each Ordinary Share held by Shareholders other than Amind, XWorld, Infinity Vision and Vision Worldwide, and each Preferred Share is converted into one Class B Share immediately upon the completion of the Global Offering:

- (1) Prof. Tang's shareholding will be approximately 26.26% of our total issued share capital and he will be entitled to exercise approximately 70.07% of the voting rights in the Company (except for any resolutions in relation to the Reserved Matters, in relation to which each Share carries one vote, as set out below); and
- (2) In respect of the Reserved Matters, the Class A Shares beneficially owned by Prof. Tang carry one vote per share, and the aggregate percentage of voting rights which Prof. Tang may exercise on resolutions in relation to the Reserved Matter is therefore approximately 26.26%.

Therefore, Prof. Tang and Amind will be our Controlling Shareholders after our Listing.

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For further information on the weighted voting rights attached to the Class A Shares, see “Share Capital.”

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 close associates after the Listing.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board will consist of eight Directors comprising four executive Directors, one non-executive Director and three independent non-executive Directors. For more information, see “Directors and Senior Management.”

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

- (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 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;
- (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 required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders and their respective close associates which would support our independent management. See “— Corporate Governance Measures” for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role independently from our Controlling Shareholders.

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Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Controlling Shareholders and their respective close associates. On the basis of the following reasons, our Directors consider that our Company will continue to be operationally independent from our Controlling Shareholders and their respective close associates after the Listing:

- (a) we are not reliant on trademarks or patents owned by our Controlling Shareholders, or by other companies controlled by our Controlling Shareholders and their respective close associates;
- (b) we are the holder of all relevant licenses material to the operation of our business;
- (c) we have independent access to our users, customers and suppliers;
- (d) we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates;
- (e) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and
- (f) none of our Controlling Shareholders or their respective close associates have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function and making financial decisions based on our Group's needs. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates.

No loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective close associates will be outstanding as at the Listing Date.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after the Listing.

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DISCLOSURE UNDER RULE 8.10(1) OF THE LISTING RULES

Our Controlling Shareholders confirm that, as of the Latest Practicable Date, they did 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 that would require disclosure under Rule 8.10(1) of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company and Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. 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 listed companies. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structure of the Company.

Under the Articles of Association, extraordinary general meetings of the Company may be convened and resolutions may be added to the meeting agenda 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 10% of the paid up capital of the Company which carry voting rights at general meetings of our Company (on a one share one vote basis). In addition, pursuant to the Shareholder communication policy to be adopted by the Company upon Listing, Shareholders are encouraged to put governance related matters to the Directors and to the Company directly in writing.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

- (a) under the Articles, where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, the relevant Controlling Shareholders or associates will not vote on the relevant resolutions;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of its associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

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- (d) our Controlling 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 purpose of their annual review;
- (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;
- (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 Haitong International 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 Code on Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules. Majority of the members of our Audit Committee, including the chairman, are independent non-executive Directors.

Based on the above, our Directors are satisfied 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 our minority Shareholders' interests after the Listing.