OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our Company has adopted a WVR voting structure pursuant to our existing Articles, and the shareholding and voting control of our Controlling Shareholders as at the Latest Practicable Date are as follows:

(i) Mr. Liu, Mr. Zhong and Ms. Li beneficially owns a total of 105,336,000 Class A Shares, which represents approximately 21.08% of our total issued share capital and 72.76% of voting rights in our Company;

(ii) (1) Mr. Zhong controlled through Ruixin Kangzhong LP as the sole general partner, 1,928,812 Class B Shares; and (2) Ms. Li controlled through Juxian Kangzhong LP, Ruisen Kangzhong LP, Ruikun Kangzhong LP, Jucai Kangzhong, Ruiqian Kangzhong LP and Ruiyu Kangzhong LP as the sole general partner a total of 90,385,000 Class B Shares, representing in aggregate 92,313,812 Class B Shares and approximately 18.47% of our total issued share capital and 6.38% of voting rights in our Company; and

(iii) Mr. Liu, Mr. Zhong and Ms. Li entered into the Concert Party Agreement on November 18, 2020 to confirm their acting-in-concert relationship with respect to our Company.

Therefore, as at the Latest Practicable Date, our Controlling Shareholders were interested in approximately 39.55% of our total issued share capital and were entitled to exercise a total of approximately 79.14% of the voting rights in our Company (save and except for the Reserved Matters).

Upon completion of the [**REDACTED**], our Company will unwind the WVR structure and each issued Class A Share and Class B Share will be re-designated to one H Share or Unlisted Share, as the case may be. Immediately following the unwinding of the WVR structure, the Conversion of the Unlisted Shares into H Shares and the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and the share options granted under the [**REDACTED**] Share Option Scheme have not been exercised and remain outstanding), (i) Mr. Liu will hold [**REDACTED**] Shares; (ii) Mr. Zhong will hold [**REDACTED**] Shares and be interested in and control [**REDACTED**] Shares held by Ruixin Kangzhong LP; and (iii) Ms. Li will hold [**REDACTED**] Shares, and be interested in and control (1) [**REDACTED**] Shares held by Juxian Kangzhong LP; (2) [**REDACTED**] Shares held by Ruisen Kangzhong LP; (3) [**REDACTED**] Shares held by Ruikun Kangzhong LP; (4) [**REDACTED**] Shares held by Jucai Kangzhong LP; (5) [**REDACTED**] Shares held by Ruiqian Kangzhong LP; and (6) [**REDACTED**] Shares held by Ruiyu Kangzhong LP.

Therefore, immediately following the unwinding of the WVR structure, the Conversion of the Unlisted Shares into H Shares and the completion of the [**REDACTED**], (i) Mr. Liu, Mr. Zhong and Ms. Li; and (ii) their respective controlled corporations, namely, Ruixin Kangzhong LP, Juxian Kangzhong LP, Ruisen Kangzhong LP, Ruikun Kangzhong LP, Jucai Kangzhong LP, Ruiqian Kangzhong LP and Ruiyu Kangzhong LP (all of which being our Employees Incentive Platforms), will continue to control the exercise of the voting rights of [**REDACTED**] Shares, which represents approximately [**REDACTED**]% of our total issued share capital (assuming that the [**REDACTED**] is not exercised and the share options granted under the [**REDACTED**] Share Option Scheme have not been exercised and remain outstanding), and accordingly, will be considered as a group of Controlling Shareholders of our Company upon [**REDACTED**] under the Listing Rules.

Our Controlling Shareholders may, from time to time, make minority investments or hold non-executive board positions in entities that operate in, or have subsidiaries that operate in, the broader industries in which our business segments also operate. As our Controlling Shareholders and/or Directors have no executive or shareholding control over any of these entities, and these entities have separate businesses with separate management and shareholder bases that control their entities, our Controlling Shareholders will not inject any of their interested entities into our Group; and to the extent our Directors hold non-executive board positions or make minority investments in these entities, we believe that this strengthens the experience and diversity of our Directors, as a group, and signifies their passion for the industries in which we operate.

DISCLOSURE UNDER RULE 8.10 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 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 close associates after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board will consist of nine Directors comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management". Our Directors consider that our Board as a whole and together with our senior management are able to perform the managerial role independently of our Controlling Shareholders because:

(i) 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;

(ii) our daily management and operations are carried out by a senior management team with 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;

(iii) 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; and

(iv) if potential conflict of interest arises 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. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management.

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Controlling Shareholders and their respective associates. In particular, we hold all relevant licenses material to the operation of our business and all relevant intellectual properties and research and development facilities necessary to carry out our business, we have independent access to our customers and suppliers, and we have sufficient capital, facilities, equipment and employees to operate our business independently. In addition, we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments. None of our Controlling Shareholders or their respective associates have any interests in any business which competes or is likely to compete with the business of our Group. Accordingly, our Directors consider that our Company will continue to be operationally independent from our Controlling Shareholders and their respective associates after the [**REDACTED**].

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with our Controlling Shareholders. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with our Controlling Shareholders or any other entities controlled by them. No loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates will be outstanding as of the [**REDACTED**]. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. We had received the [**REDACTED**] from various third-party investors independently. 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 [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

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 of the date of deposit of the requisition, in aggregate not less than one-tenth of the issued shares of our Company. In addition, pursuant to the Shareholder communication policy to be adopted by our Company upon [**REDACTED**], Shareholders are encouraged to put governance related matters to our Directors and to our 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:

(i) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, the Controlling Shareholders or associates will not vote on the relevant resolutions;

(ii) our Company has established internal control mechanisms to identify connected transactions;

(iii) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial advice to protect the interests of our minority Shareholders. Our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other information as required by the independent non-executive Directors for the purpose of their annual review. 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;

(iv) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expense;

(v) we have appointed UOB Kay Hian (Hong Kong) Limited as our compliance adviser 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

(vi) we have established our audit committee, remuneration and appraisal committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Code on Corporate Governance and Corporate Governance Report in Appendix C1 to the Listing Rules.

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 [**REDACTED**].