OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun directly and/or indirectly held approximately 9.87%, 5.93% and 3.47% of the total issued share capital of our Company, respectively. By virtue of the Concert Party Arrangements, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, in aggregate were able to hold approximately 19.27% of our total issued share capital and control 19.29% of the voting rights attached to the A Shares carrying voting rights in our Company (excluding the 998,800 A Shares held by our Company as treasury Shares) as of the Latest Practicable Date. See "History, Development and Corporate Structure — Concert Party Arrangements" for details.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, will be able to control an aggregate of approximately [REDACTED]% of the voting rights attached to the Shares carrying voting rights in the Company (excluding the 998,800 A Shares held by our Company as treasury Shares) and constitute our Single Largest Group of Shareholders immediately upon the [REDACTED].

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that our Group is capable of carrying on its business independently from our Single Largest Group of Shareholders and their respective close associates upon the [REDACTED].

Management Independence

The business of our Group is managed and conducted by the Board and senior management of our Company. The Board consists of six Directors, three of whom are independent non-executive Directors. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. See "Directors and Senior Management" for details. Mr. Chai Jijun, our executive Director, is one of the members of our Single Largest Group of Shareholders.

Our Directors are of the view that the Board and senior management of our Company are able to manage the business of our Group independently from the Single Largest Group of Shareholders and their respective close associates for the following reasons:

(i) each of our Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of our Company and the Shareholders as a whole;

(ii) save for Mr. Chai Jijun, none of our other Directors and members of the senior management team is a member of the Single Largest Group of Shareholders or hold any positions in their respective close associates;

(iii) our Company's daily management and operations are carried out by its senior management, all of whom have substantial experience in the industry where our Company operates, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management, please refer to the section headed "Directors and Senior Management" in this document;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and the 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 meetings in respect of such transactions;

(v) our Company has appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of our Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and the Directors or their respective close associates;

(vi) we have adopted other corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders. See "— Corporate Governance Measures."

Operational Independence

Our Group holds all the relevant material licenses, qualifications and permits required for conducting our business. Our Group has sufficient capital, employees and resources to operate our business independently from our Single Largest Group of Shareholders and their respective close associates. Our Group also has independent access to the clients. Our Group has our own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, our Group has established its internal organizational and management structure which includes Shareholders' meetings, the Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

We entered into certain continuing connected transactions with associates of our Director. See section headed "Connected Transactions" for more details. All such transactions will be conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group in accordance with the requirements under Chapter 14A of the Listing Rules, and the relevant pricing policy for such transactions adopted between our Group and our connected persons will not be prejudicial to the interests of any of the parties. Our Directors believe that such transactions will not affect the operational independence of our Group as a whole.

Based on the above, our Directors are of the view that our Group will be able to operate independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Financial Independence

Our Group has an independent financial system. Our Group makes financial decisions according to our own business needs and neither our Single Largest Group of Shareholders nor their respective close associates intervene with our Group's use of funds. Our Group has opened accounts with banks independently and does not share any bank account with our Single Largest Group of Shareholders or their respective close associates. Our Group has made tax filings and paid tax independently from our Single Largest Group of Shareholders and their respective close associates pursuant to applicable laws and regulations. Our Group has established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. Our Group has adequate internal resources and credit profile to support its daily operations.

We are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Single Largest Group of Shareholders or their respective associates. As of the Latest Practicable Date, there was no outstanding loan extended by our Single Largest Group of Shareholders or their close associates to us and no guarantee has been provided for our benefit by our Single Largest Group of Shareholders or any of their close associates.

Based on the above, our Directors are of the view that our Group will be financially independent from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

INTEREST OF THE SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESS

As of the Latest Practicable Date, none of our Single Largest Group of Shareholders was interested in any business, other than our Group, which, competes or is likely to compete, whether directly or indirectly, with our Group's business, which would otherwise require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protecting our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which set out principles of good corporate governance in relation to, among other matters, directors, the chairperson and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with Shareholders. We have adopted or will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(i) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which our Single Largest Group of Shareholders or any of their close associates has a material interest, our Single Largest Group of Shareholders shall abstain from voting and their votes shall not be counted;

(iii) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(iv) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules.

(v) our Company is committed that the Board shall include a balanced composition of executive Directors and independent non-executive Directors. Our Company has appointed three independent non-executive Directors, and our Company believes the independent non-executive Directors possess sufficient experiences and 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 as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management — Our Board of Directors — Independent Non-executive Directors";

(vi) where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgement, the appointment of such independent professionals will be made at the expense of our Company;

(vii) our Company has appointed Central China International Capital Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance; and

(viii) our Company has established Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with 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 the Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [REDACTED].