OUR CONTROLLING SHAREHOLDERS

Pursuant to the Concert Party Agreement entered into among Mr. Chao, Mr. Cheng and Magneto (together, the "**Concert Parties**") dated June 28, 2022, all the Concert Parties confirmed and agreed to act in concert by aligning their votes at the Board and/or the shareholders' meetings of our Company by following the decisions of Mr. Chao. For details, see "History, Development and Corporate Structure – Acting in Concert Arrangement" of this Document.

As of the Latest Practicable Date, Mr. Chao, Mr. Cheng and Magneto were collectively entitled to exercise voting rights attached to 32,267,718 Shares, representing approximately 38.57% of our total issued share capital, among which:

(a) Mr. Chao held 13,714,234 Shares, representing approximately 16.39% of the voting rights in our Company;

(b) Mr. Cheng held 6,000,000 Shares, representing approximately 7.17% of the voting rights in our Company; and

(c) Magneto held 12,553,484 Shares, representing approximately 15.01% of the voting rights in our Company. Mr. Chao was the sole director and shareholder of Magneto.

As of the Latest Practicable Date, Kunshan Mazhou, of which Mr. Cheng was the general partner, held 2,280,000 Shares, representing approximately 2.73% of the voting rights in our Company.

Therefore, Mr. Chao, Mr. Cheng, Magneto and Kunshan Mazhou were our group of Controlling Shareholders, and in aggregate held approximately 41.30% of the total issued share capital of our Company as of the Latest Practicable Date.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Controlling Shareholders will hold approximately **[REDACTED]** of the total issued share capital of our Company. For details of shareholding of our Controlling Shareholders, see "Substantial Shareholders" in this Document.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

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. Please see "Directors, Supervisor and Senior Management – Confirmation from Our Directors – Rule 8.10 of the Listing Rules" in this Document for further details.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the **[REDACTED]**, our Board will consist of four executive Directors, three non-executive Directors and four independent non-executive Directors. See "Directors, Supervisor and Senior Management" for more details of our Directors.

We believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates for the following reasons:

- our executive Directors devote substantially all their time to discharge their duties of their positions at our Group;

- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow his or her personal interests to interfere with our Company's best interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director or his or her respective close associates, he or she shall abstain from voting on any Board resolutions approving any contract, arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting;

- we have appointed four independent non-executive Directors, comprising over one-third of our Board of Directors, to provide a balance of the number of our Board of Directors and with a view to ensuring the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions and promoting the interests of our Company and our Shareholders as a whole. We believe our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole; and

- we have established corporate governance measures and adopted sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "– Corporate Governance Measures" in this Document for further details.

Based on the above, our Directors are of the view that our Board of Directors, together with our senior management team, are able to perform their managerial roles in our Group independently from our Controlling Shareholders and their respective close associates.

Operational Independence

Our Group is operationally independent of our Controlling Shareholders and their respective close associates. We can make decisions and carry out our own business operations independently. We have sufficient capital, facilities, technology and employees to operate our business independently. We hold or enjoy the benefits of all relevant licenses and intellectual properties necessary to operate our business. We own or have the right to use all the operational facilities relating to our business. We have our own organizational structure made up of individual functional departments, each with specific areas of responsibility. We have not shared any operational resources such as sales and marketing, risk management and general administration resources with our Controlling Shareholders or their respective close associates. We have also established a set of internal control procedures to facilitate the effective operation of our business. We independently manage and have independent access to our customers and suppliers.

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

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control of our Company. Our finance department is able to function without any undue influence from our Controlling Shareholders. We have also established an internal control system, an independent audit system, and a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principle and standards. As of the Latest Practicable Date, we did not have any outstanding loans, guarantees or other form of financial assistance provided by our Controlling Shareholders or their respective close associates to the Group.

During the Track Record Period, Mr. Chao and Mr. Cheng had provided guarantees for certain of our bank borrowing. All such guarantees have been released as of the Latest Practicable Date. See Note 33 to the Accountants' Report in Appendix I to this document for details. Save as disclosed above, there was no loan, advance or guarantee provided by our group of Controlling Shareholders or his/its close associates during the Track Record Period and as of the Latest Practicable Date.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates (excluding our Group).

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest between our Group and Controlling Shareholders:

- our 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;

- our Controlling Shareholders will undertake to provide all necessary information, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcement to the public in compliance with the requirements of the Listing Rules;

- our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;

- any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules;

- in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;

- in the event of any potential conflict of interests at the shareholders' level, our Controlling Shareholders shall abstain from voting at the Shareholders' meeting of our Company with respect to the relevant resolutions; and

- we have appointed Red Solar Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.