SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the Latest Practicable Date and immediately following 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 [**REDACTED**]), the following persons will have an interest or short position (as applicable) in our Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Shareholder	Nature of interest	Number and Description of Shares	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the A Shares shortly after the [REDACTED]	Approximate percentage of shareholding in the total issued share Capital of our Company immediately after the [REDACTED]
Shenzhen Huifengyuan . .	Beneficial owner[(1)]	432,840,263 A Shares	8.48%	8.48%	[**REDACTED**]%
Mr. Xu.	Beneficial owner	6,805,380 A Shares	0.13%	0.13%	[**REDACTED**]%
	Interest in controlled corporation; interest of spouse[(1)]	432,840,263 A Shares	8.48%	8.48%	[**REDACTED**]%
	Interest in controlled corporation; interest of spouse[(2)]	9,267,106 A Shares	0.18%	0.18%	[**REDACTED**]%
	Interest of spouse	13,383,555 A Shares	0.26%	0.26%	[**REDACTED**]%
Ms. Wang	Beneficial owner	13,383,555 A Shares	0.26%	0.26%	[**REDACTED**]%
	Interest in controlled corporation; interest of spouse[(1)]	432,840,263 A Shares	8.48%	8.48%	[**REDACTED**]%
	Interest in controlled corporation; interest of spouse[(2)]	9,267,106 A Shares	0.18%	0.18%	[**REDACTED**]%
	Interest of spouse	6,805,380 A Shares	0.13%	0.13%	[**REDACTED**]%

Notes:

(1) As of the Latest Practicable Date, Shenzhen Huifengyuan Investment Co., Ltd. (深圳市滙豐源投資有限公司) ("**Shenzhen Huifengyuan**") was held by Mr. Xu and Ms. Wang, who are spouses, as to 60% and 40%, respectively. Therefore, under the SFO, Mr. Xu and Ms. Wang are deemed to be interested in all the 432,840,263 A Shares held by each other and Shenzhen Huifengyuan.

(2) As of the Latest Practicable Date, Fengcheng Xinyuanxing New Materials Co., (豐城市鑫源興新材料有限公司) ("**Fengcheng Xinyuanxing**") was held by Mr. Xu and Ms. Wang, who are spouses, as to 31.46% and 1.92%, respectively. Therefore, under the SFO, Mr. Xu and Ms. Wang are deemed to be interested in all the 9,267,106 A Shares held by each other and Fengcheng Xinyuanxing.

Save as disclosed above, our Directors are not aware of any person who will, immediately following 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 [**REDACTED**]), have an interest or short position in the Shares or underlying Shares of our Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group.

Share Pledge

As at the Latest Practicable Date, 28,850,000 A Shares directly held by Shenzhen Huifengyuan, representing approximately 0.57% of the total number of issued Shares, were subject to pledge (the "**Share Pledge**") in favor of Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) with a redemption date of April 8, 2027. The Share Pledge was provided by Shenzhen

Huifengyuan to secure financing facilities of RMB100,000,000 from Guotai Haitong Securities Co., Ltd. for the purpose of its investment activities, and the payment of financing commissions, intermediary fees, taxes associated with its financings and to meet the financing needs for its development.

According to Article 436 of the Civil Code of the PRC (中華人民共和國民法典), if a debtor fails to perform its due obligations or if circumstances agreed upon by the parties for the realisation of the pledge arise, the pledgee may agree with the pledgor to set off the pledged property against the debt, or may have priority in receiving payment from the proceeds of auction or sale of the pledged property. Therefore, if Shenzhen Huifengyuan fails to perform its due obligations, there is a risk that the pledged shares may be disposed of to settle the outstanding debt.

According to the Enterprise Credit Report issued by the Credit Reference Centre of the People's Bank of China, the Public Credit Information Report (No Record of Unlawful or Irregular Conduct) issued by Credit Guangdong, and the Public Credit Information Enquiry Report (No Record of Unlawful or Irregular Conduct) issued by Shenzhen Public Credit Centre, and upon appropriate verification by our PRC Legal Advisor (noting the limitation that there is not yet a unified national system for searching litigation, arbitration, or administrative penalty information in the PRC), as well as confirmation by Shenzhen Huifengyuan, the pledge of the issuer's shares was established for ordinary business needs and not for any illegal purpose. As at the Latest Practicable Date, there is no overdue repayment of principal or interest. Shenzhen Huifengyuan has undertaken to strictly comply with the relevant agreements signed with creditors and to repay the financing with its own or self-raised funds on schedule, so as to avoid the pledgee exercising its pledge rights due to overdue repayment. Shenzhen Huifengyuan's assets and credit standing are sound, and it has the corresponding repayment capability. Its future sources of repayment mainly include investment income, share dividends, and other income. There are no events of default, outstanding debts due, or pending litigation or arbitration that would seriously affect its repayment ability.

Accordingly, our PRC Legal Adivsor is of the view that, as at the Latest Practicable Date, there is no overdue repayment in respect of the principal debt secured by the issuer's shares pledged by Shenzhen Huifengyuan, and the risk of such pledged shares being disposed of to settle overdue debt is relatively low.

To the best knowledge of our Directors having made all reasonable enquiries, there has not been any adverse credit record in connection with the Pledge Financing against Shenzhen Huifengyuan in respect of any breach of repayment obligations under its indebtedness. Shenzhen Huifengyuan has confirmed that, if there is a risk of default or other circumstances that may give rise to the enforcement of the pledged A Shares, it shall take all necessary actions, such as provision of additional collaterals and repayment of loans, to avoid such enforcement.