

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED], and 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], the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange 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 nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Shareholder	Capacity/ Nature of Interest	Description of Shares	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED]		
			Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company ⁽²⁾	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our A Shares ⁽³⁾	Approximate percentage of shareholding in our Company ⁽³⁾
Mr. Li ⁽⁴⁾	Interest in controlled corporations	A Shares	331,057,164	27.32%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Beneficial interest	A Shares	1,005,381	0.08%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Xu ⁽⁵⁾	Interest in controlled corporations	A Shares	300,935,829	24.83%	[REDACTED]	[REDACTED]%	[REDACTED]%
Quiet Well ⁽⁴⁾	Interest in controlled corporations	A Shares	327,072,335	26.99%	[REDACTED]	[REDACTED]%	[REDACTED]%
Magnifice ⁽⁵⁾	Interest in controlled corporations	A Shares	296,951,000	24.50%	[REDACTED]	[REDACTED]%	[REDACTED]%
Smartco Development ⁽⁴⁾	Beneficial interest	A Shares	327,072,335	26.99%	[REDACTED]	[REDACTED]%	[REDACTED]%
Magnifice (HK) ⁽⁵⁾⁽⁶⁾	Beneficial interest	A Shares	296,951,000	24.50%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- All interests stated are long positions in the Shares.
- The calculation is based on the total number of 1,211,799,431 A Shares in issue as of the Latest Practicable Date (excluding 641,963 A Shares which were held as treasury shares and will be cancelled subject to Shareholders' approval).
- The calculation is based on the total number of 1,211,799,431 A Shares and [REDACTED] H Shares in issue immediately after completion of the [REDACTED] since [REDACTED] H Shares will be issued pursuant to the [REDACTED], assuming that the [REDACTED] is not exercised.
- As of the Latest Practicable Date, Smartco Development held 327,072,335 A Shares. Smartco Development is wholly-owned by Quiet Well, which is in turn wholly-owned by Mr. Li. As such, each of Mr. Li and Quiet Well is deemed to be interested in the Shares held by Smartco Development by virtue of the SFO. Further, as of the Latest Practicable Date, Shenzhen Ruifu held 2,747,306 A Shares and Shenzhen Ruilong held 1,237,523 A Shares. As Mr. Li held approximately 47.04% of the limited partnership interests of each of Shenzhen Ruifu and Shenzhen Ruilong, Mr. Li is also deemed to be interested in the A Shares held by each of Shenzhen Ruifu and Shenzhen Ruilong by virtue of the SFO.
- As of the Latest Practicable Date, Magnifice (HK) held 296,951,000 A Shares. Magnifice (HK) is owned as to 66.32% by Magnifice, which is in turn wholly-owned by Mr. Xu, and 33.68% by Simple Well Limited, which is in turn controlled by Ms. Jian Yao through Simple Well (BVI) Holding Limited. As such, each of Mr. Xu, Magnifice, Simple Well Limited, Simple Well (BVI) Holding Limited and Ms. Jian Yao is deemed to be interested in the Shares held by Magnifice (HK) by virtue of the SFO. Further, as of the Latest Practicable Date, Shenzhen Ruifu held 2,747,306 A Shares and Shenzhen Ruilong held 1,237,523 A Shares. As Mr. Xu held approximately 42.71% of the limited partnership interests of each of Shenzhen Ruifu and Shenzhen Ruilong, Mr. Xu is also deemed to be interested in the A Shares held by each of Shenzhen Ruifu and Shenzhen Ruilong by virtue of the SFO.

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6. Magnifice (HK) has from time to time pledged A Shares it held to certain regulated financial institutions such as PRC branch of banks, which fall within the list of authorized institutions as defined under the Banking Ordinance, as securities for certain financings provided by such financial institutions to Magnifice (HK) (the “**Pledge Financing**”). Such Pledge Financing will continue, and may be renewed, extended and/or refinanced after [REDACTED]. As at the Latest Practicable Date, Magnifice (HK) had pledged 60,250,000 A Shares it held (representing 4.97% of the total number of issued Shares as at the Latest Practicable Date) to certain regulated financial institutions such as PRC branch of banks, which fall within the list of authorized institutions as defined under the Banking Ordinance. The Pledge Financing is subject to loan-to-value ratio requirements that would be triggered by a material decrease in value of the A Shares, in which cases Magnifice (HK) will be requested to provide additional collaterals. Depending on the market value of the A Shares, the number of the A Shares to be pledged by Magnifice (HK) under the Pledge Financing may vary accordingly. The lenders may have the right to trade out the A Shares subject to share pledges in accordance with the agreements of the Pledge Financing if, among others, Magnifice (HK) fails to meet the aforementioned request to provide additional collaterals and loan-to-value ratio further reaches to a threshold agreed between Magnifice (HK) and the lenders pursuant to the agreements of the Pledge Financing or in the event there is an event of default under the relevant loan agreement.

As of the Latest Practicable Date, the number of A Shares pledged by Magnifice (HK) represented merely 4.97% of the total number of issued Shares. As such, in the event if the Pledge Financing is enforced, the Company considers that there would be no impact on the composition of the Controlling Shareholders and the Group’s compliance with the ownership continuity requirement under the Listing Rules. Further, under Note 2 of Rule 10.07 of the Listing Rules, a controlling shareholder may use the securities of the issuer beneficially owned by such controlling shareholder as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance) for a bona fide commercial loan. Given that the Pledge Financing are provided to regulated financial institutions which fall within the list of authorized institutions as defined under the Banking Ordinance, such Pledge Financing would be exempted from Rule 10.07 of the Listing Rules and there will not be impact to the lock-up obligations under Rule 10.07 of the Listing Rules.