OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Li was a direct beneficial owner of 27,750,000 Shares and controlled 8,950,840 Shares and 2,500,000 Shares through Shanghai Xingchi and Shanghai Zhizu, respectively, in light of his capacity as their general partner. Therefore, the Single Largest Shareholders Group, comprising Mr. Li, Shanghai Xingchi and Shanghai Zhizu, was collectively interested in approximately 39.15% of the issued share capital of our Company. See "History and Corporate Structure" in this document for details.

Immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Single Largest Shareholders Group will continue to control in aggregate approximately **[REDACTED]**% of our total issued share capital. Assuming the **[REDACTED]** is exercised in full, the Single Largest Shareholders Group will been titled to control in aggregate approximately **[REDACTED]**% of our total issued share capital. Therefore, they will remain as our Single Largest Shareholders Group upon **[REDACTED]**.

Mr. Li is our chairman of the Board, executive Director and Chief Executive Officer. See "Directors and Senior Management – Directors" in this document for more details.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS GROUP

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

Management Independence

Our management and operational decisions are made by our Board and our senior management. Our Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. While one of our executive Directors, namely Mr. Li, is also a member of our Single Largest Shareholders Group and one of our executive Directors, namely Mr. Li Ziang, is the son of Mr. Li, all of our other Directors and senior management team members possess relevant management and/or industry-related experience to act as Directors or senior management of the Company and to make management decisions independent from our Single Largest Shareholders Group. Further details are set forth in "Directors and Senior Management" in this document.

Our Directors consider that our Board and senior management are able to perform the management role in our Group independent of our Single Largest Shareholders Group for the following reasons:

(a) each Director is aware of his/her fiduciary duties as a Director which require, amongst others, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) in the event that any Director or any of his/her close associates has a material interest in any transaction or arrangement or there is an actual or potential conflict of interest arising out of any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, such Director(s) shall fully disclose such matters to our Board and abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. Our Group has also adopted certain corporate governance measures for situations involving conflict of interests, details of which are set out in the paragraph headed "Corporate Governance Measures" in this section;

(c) three out of seven Directors are independent non-executive Directors with extensive experience in various professions. They are appointed pursuant to the requirements of the Listing Rules, who will bring independent judgment to the decision-making process of our Board;

(d) connected transactions between our Group and our Single Largest Shareholders Group will be subject to the rules and regulations under the Listing Rules including the rules relating to annual reporting, review, announcement, circular and independent shareholders' approval (where applicable); and

(e) our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and the management of our Company. Our Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Operational Independence

We have established our own organisational structure consisting of individual departments with different functions for, among others, sales, operations, marketing and after-sales services. Each department is assigned specific areas of responsibility. We have implemented a set of internal control mechanisms to enhance the efficiency of our business operations. In addition to our sufficient assets, capital and employees, we have obtained and possess all relevant licenses, permits, approvals and intellectual properties required to conduct our business independently. Furthermore, we have independent access to our suppliers and customers.

Based on the above, our Directors are of the view that our Group can operate independently of our Single Largest Shareholders Group and their respective close associates upon **[REDACTED]**.

Financial Independence

Our financial management department is responsible for handling the major finance operations of our Group and is capable of making financial decisions independently according to our own business needs. We manage our bank accounts independently, and do not share any bank accounts with our Single Largest Shareholders Group or their respective close associates. In addition, we have sufficient capital to operate our business independently and have adequate internal resources to support our daily operations.

Mr. Li has provided guarantees for certain of our bank borrowings and it is expected that all such guarantees will be released prior to **[REDACTED]**.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Single Largest Shareholders Group and their respective close associates upon **[REDACTED]**.

RULE 8.10 OF THE LISTING RULES

Our Single Largest Shareholders Group, our Directors and their respective close associates confirm that they do not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. We recognise the importance of good corporate governance in the protection of our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Shareholders Group:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their associates has a material interest, our Single Largest Shareholders Group will not vote on the resolutions and shall not be counted towards the quorum in the voting;

(b) our Group has established internal control mechanisms to identify connected transactions. Our Company will comply with the requirements in relation to connected transactions under the Listing Rules upon **[REDACTED]**;

(c) we are committed that our Board should include a balanced composition of executive and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business and/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 and external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please see "Directors and Senior Management – Our Directors" in this document;

(d) our Board will operate in accordance with the Articles which require the interested Director not to vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested except as permitted by the Articles;

(e) 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 expenses; and

(f) we have appointed Red Solar Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and internal controls.

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 Single Largest Shareholders Group, and to protect our minority Shareholders' interests after the **[REDACTED]**.