

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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As of the Latest Practicable Date, Mr. Xiong held 16.72% direct interest in our Company. Separately, our Company was held as to 11.98% by Huaxin Lanchuang, our employee shareholding platform, which was in turn held as to 8.47% by Mr. Xiong. Mr. Xiong, as the general partner of Huaxin Lanchuang, was entitled to exercise the voting rights attached to all of the Shares held by Huaxin Lanchuang. Accordingly, Mr. Xiong was entitled to exercise the voting rights attached to 28.70% of the issued share capital of our Company.

Immediately following the completion of the [REDACTED] and assuming that no new Shares are [REDACTED] under the [REDACTED], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], Mr. Xiong will directly and indirectly be entitled to exercise an aggregate of [REDACTED] of the voting rights in our Company. Accordingly, Mr. Xiong, and Huaxin Lanchuang will be our Single Largest Group of Shareholders immediately upon the [REDACTED], and our Company will not have any controlling shareholder as defined under the Listing Rules upon [REDACTED].

COMPETING INTERESTS

Our Single Largest Group of Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had 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, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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

Management independence

The day-to-day management of the business of our Group rests primarily with our Board and our senior management. Our Board comprises eight Directors, comprising five executive Directors and three independent non-executive Directors. Although Mr. Xiong is the chairman of our Board, executive Director, general manager and the chief executive officer of our Company, Mr. Xiong is also a member of our Single Largest Group of Shareholders and the general partner of Huaxin Lanchuang. The balance of power and authority is ensured by the operation of the senior management and our Board. For further details, see "Directors, Supervisors and Senior Management".

We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders for the following considerations:

- (a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our day-to-day management and operation decisions rest primarily with our executive Directors and senior management members, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For the background and biographical details of our executive Directors and senior management, see "Directors, Supervisors and Senior Management";
- (c) we had appointed three independent non-executive Directors, comprising more than one-third of the total number of Directors on our Board, who have sufficient knowledge, experience and competence with a view to bring independent judgment to the decision-making process of our Board and provide independent advice to our Board committees;

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. For further details, see “— Corporate Governance Measures.”

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses necessary to carry out our businesses, and has sufficient capital, technology, equipment, access to customers and suppliers, and employees to operate our business independently from our Single Largest Group of Shareholders and their respective close associates. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. None of our operational personnel or administrative personnel is under the employment of our Single Largest Group of Shareholders or their respective close associates. We have also established a set of internal control measures to facilitate the effective operation of our business. For details of our Group’s risk management and internal control systems, see “Business — Risk Management and Internal Control.” Our Directors do not expect that there will be any significant transactions between our Group and our Single Largest Group of Shareholders upon or shortly after the [REDACTED].

Based on the above, our Directors are satisfied that we have been operating independently from our Single Largest Group of Shareholders and their respective close associates during the Track Record Period and up to the Latest Practicable Date, and will continue to operate independently.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group had our own internal control, accounting and financial management system and we make financial decisions independently according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Single Largest Group of Shareholders or their respective close associates.

We have sufficient capital and banking facilities to operate our business independently and have adequate resources to support our daily operation. As of December 31, 2025, we had cash at bank and on hand of RMB96.5 million. As of the Latest Practicable Date, there was no outstanding loan from, or guarantees provided by, our Single Largest Group of Shareholders to our Group. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Single Largest Group of Shareholders.

Based on the above, our Directors believe that we have the ability to operate independently from our Single Largest Group of Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates.

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CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interest between our Group and our Single Largest Group of Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of our Board is specifically requested by a majority of the independent non-executive Directors;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (d) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors to our Board. We believe our independent non-executive Directors possess sufficient experience 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 impartial and external opinions to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors, Supervisors and Senior Management — Overview — Independent non-executive Directors";
- (e) in the event that the independent non-executive Directors are requested to review any conflicts of interest circumstances between our Group on the one hand and our Single Largest Group of Shareholders and/or our Directors on the other hand, our Single Largest Group of Shareholders and/or our Directors shall provide the independent non-executive Directors with all the necessary information and our Company will disclose the decisions of the independent non-executive Directors either through our interim and annual reports or by way of announcements;
- (f) pursuant to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from independent professionals in appropriate circumstances at our Company's expense; and
- (g) we have appointed Somerley Capital Limited as our compliance advisor to 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 corporate governance.

Based on the above, our Directors believe 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 Group of Shareholders and to protect our Shareholders' interests as a whole after the [REDACTED].