OVERVIEW

As of the Latest Practicable Date, the Company was held as to approximately 25.33% by Desay Corporation and 0.03% directly by Mr. Jiang Jie. Desay Corporation was wholly owned by Deheng Industrial. Deheng Industrial was held as to, among others, approximately 65.09% by Dehengqin, 14.74% by Dehengcheng, 7.84% by Dehengxue, 5.22% by Dehengyong and 2.00% by Dehenghe. The general partner of each of Dehengqin, Dehengcheng, Dehengxue, Dehengyong and Dehenghe is Dehenghui, which was in turn held as to 54.10% by Mr. Jiang Jie. In addition, Mr. Jiang Jie was a limited partner of Dehengqin, holding approximately 32.33% of the partnership interest therein. For a simplified corporate structure chart of the Group before the [REDACTED], see "History, Development and Corporate Structure" in this Document.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2025 Stock Option Incentive Plan), Desay Corporation and Mr. Jiang Jie will hold in aggregate approximately [REDACTED]% of the total issued share capital of the Company. Upon the [REDACTED], Desay Corporation, Deheng Industrial, Dehengqin, Dehengcheng, Dehengxue, Dehengyong, Dehenghe, Dehenghui and Mr. Jiang Jie will together constitute the Single Largest Group of Shareholders.

CLEAR BUSINESS DELINEATION

Business of the Group

The Group is a global leading mobility and intelligent technology platform company, dedicated to promoting the development of intelligent mobility and broader intelligent applications.

Business of the Single Largest Group of Shareholders

Desay Corporation is an investment holding company established in the PRC on April 28, 2002. Apart from the business of the Group, Desay Corporation also has interest in companies which engage in, among others, businesses of battery, automation technology, precision components, property management and construction services. The Single Largest Group of Shareholders do not currently have any interest in a business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

INDEPENDENCE FROM THE SINGLE LARGEST GROUP OF SHAREHOLDERS

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

Management Independence

The Group's business is managed and conducted by the Board and senior management. Upon the [REDACTED], the Board will consist of nine Directors comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management." The Directors consider that the Board and senior management of the Company are capable of functioning independently of the Single Largest Group of Shareholders for the following reasons:

(i) the Group's daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which the Company is engaged as detailed in "Directors and Senior Management," and will therefore be able to make business decisions that are in the best interest of the Group;

(ii) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she must act for the benefit and in the interest of the Company and the Shareholders as a whole, and not allow any conflict between his/her duties as a Director and his/her personal interests;

(iii) the Company has three independent non-executive Directors and such independent non-executive Directors individually and collectively possess the requisite knowledge and experience, and all of them will be able to provide professional and experienced advice to the Company. In conclusion, the Directors believe that the independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of the Board and protect the interest of the Company and the Shareholders as a whole;

(iv) where a Board meeting is held to consider a proposed transaction in which the Single Largest Group of Shareholders or any of their respective close associates have a material interest, the relevant Single Largest Group of Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and

(v) the Company has adopted a series of corporate governance measures to manage conflicts of interest, if any, between the Group and the Single Largest Group of Shareholders which would support the Group's independent management. See "— Corporate Governance Measures" in this section for further information.

Based on the above, the Directors are satisfied that they are able to perform their managerial roles in the Company independently, and the Directors are of the view that the Group is capable of managing its business independently from the Single Largest Group of Shareholders.

Operational Independence

The Group has full rights to make business decisions and to carry out its business independently from the Single Largest Group of Shareholders. The Directors consider that the Company will continue to be operationally independent from the Single Largest Group of Shareholders and their respective close associates after the [REDACTED] on the following grounds:

(i) the Group has sufficient capital, facilities, equipment and employees to operate its business independently from the Single Largest Group of Shareholders;

(ii) the Group has independent access to its customers and suppliers;

(iii) the Group has its own administrative and corporate governance infrastructure, including its own accounting, legal and human resources departments; and

(iv) none of the members of the Single Largest Group of Shareholders or their respective close associates have any interests in any business which competes or is likely to compete with the business of the Group.

Based on the above, the Directors believe that the Group is able to operate independently from the Single Largest Group of Shareholders.

Financial Independence

The Group has independent internal control and accounting systems. The Group also has an independent finance department responsible for discharging the financial management, accounting, reporting, funding and treasury function of the Group. The Group is capable of obtaining financing from third parties, if necessary, without reliance on the Single Largest Group of Shareholders and their respective close associates.

As of the Latest Practicable Date, the Group did not have any outstanding loans granted or guaranteed by any members of the Single Largest Group of Shareholders or their respective close associates to the Group.

Based on the above, the Directors are of the view that the Group is capable of carrying on its business independently from, and do not place undue reliance on, the Single Largest Group of Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

The Company and the Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of the minority Shareholders.

The Company has adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Single Largest Group of Shareholders:

(i) where a Board meeting is to be held for considering matters in which any Director or his/her close associates have a material interest, the relevant Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which the Single Largest Group of Shareholders or any of their respective close associates have a material interest, the relevant member(s) of the Single Largest Group of Shareholders or close associate(s) will not vote on the relevant resolutions;

(iii) the Company has established internal control mechanisms to identify connected transactions and related party transactions. Upon the [REDACTED], if the Company enters into connected transactions or related party transactions with the Single Largest Group of Shareholders or any of their associates, the Company will comply with the applicable laws and regulations, including the Hong Kong Listing Rules;

(iv) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and the Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;

(v) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by applicable laws and regulations, including the Hong Kong Listing Rules;

(vi) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expense;

(vii) the Company has appointed Rainbow Capital (HK) Limited as the Compliance Advisor to provide advice and guidance to the Company in respect of compliance with the applicable laws and regulations, as well as the Hong Kong Listing Rules, including various requirements relating to corporate governance; and

(viii) the Company has established the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee with written terms of reference in compliance with the Hong Kong Listing Rules.

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