OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Hao directly held 71.06% of the total issued Shares of our Company and Suzhou Kairen, which was owned as to 99.00% by Mr. Hao, directly held 2.43% of the total issued Shares. As such, as of the Latest Practicable Date, Mr. Hao was entitled to exercise the voting rights attached to approximately 73.49% of the total issued Shares through the Shares held by himself as well as the Shares controlled by him through Suzhou Kairen.

Immediately following the completion of the [**REDACTED**], Mr. Hao and Suzhou Kairen will be entitled to exercise the voting rights attaching to approximately [**REDACTED**] of the total issued Shares (assuming the [**REDACTED**] is not exercised). Accordingly, Mr. Hao together with Suzhou Kairen will remain as our Controlling Shareholders upon [**REDACTED**] pursuant to the Listing Rules.

For details of Mr. Hao, see "Directors, Supervisors and Senior Management — Directors."

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, they did not have 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.

As of the Latest Practicable Date, eKontrol was owned as to 59.04% by Mr. Hao, 14.88% by Suzhou Kaichi, 2.43% by Suzhou Kairen, 2.43% by Ms. Hao Yun, the daughter of Mr. Hao, and 21.22% by other investors that are Independent Third Parties. As of the Latest Practicable Date, Suzhou Kaichi was an employee incentive platform of eKontrol, the general partner of which was Mr. Zhong Gufa (鍾穀發), our executive Director, who held 1.87% of the partnership interests therein. Suzhou Kaichi had 46 limited partners, out of which, aside from Mr. Hao holding 69.70% of the partnership interests therein, none of the limited partners held more than 10.00% of the partnership interests therein.

Immediately before the Reorganization, our Company was a wholly owned subsidiary of eKontrol. To streamline our organizational and governance structure, our Group underwent the Reorganization in August 2025 to spin-off from the eKontrol Group. For details, see "History, Development and Corporate Structure — History and Development of our Company — Reorganization".

During the Track Record Period, we have engaged in certain continuing transactions with the eKontrol Group which would become our continuing connected transaction upon the [**REDACTED**]. For details, see "Continuing Connected Transactions."

Delineation of the Businesses of our Group and the eKontrol Group

Our Directors are of the view that there is a clear delineation of the businesses of the eKontrol Group and our Group and there is no competition between the eKontrol Group and us as we have different principal businesses and core products.

Our Group is primarily engaged in the provision of vehicle articulation systems and thermal management systems. Our vehicle articulation system comprises the articulation turntable and the windshield system as its main components and is used to connect the front and rear compartments of multi-section passenger vehicles such as buses. Our thermal management systems integrates thermal control for the battery, electric drive, and cabin, and has been applied in transportation sectors such as in new energy mining trucks. For further details of our major product series see "Business — Our Products."

On the other hand, the eKontrol Group is primarily engaged in the provision of products and overall solutions of drive systems for new energy heavy-duty trucks, as well as power systems and overall solutions for engineering machinery. Its main products consist of a range of electric drive systems for new energy vehicles (新能源車輛電驅動系統). These electric drive systems provide energy conversion and power transmission for new energy vehicles, and is a key component in ensuring the vehicle's overall performance in terms of power. Given that the main products of the eKontrol Group provide different functionalities in comparison to our vehicle articulation systems and thermal management systems, we are of the view that the businesses between the eKontrol Group and our Group are clearly delineated.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

Management Independence

The day-to-day management of our Group's business rests primarily with our Board and our senior management. Our Board comprises nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. Although Mr. Hao is the chairman of our Board, a non-executive Director and one of our Controlling Shareholders, our management and operational decisions are made by all our executive Directors and senior management members, all of whom have substantial experience in the industries in which we are engaged and/or in their respective fields of expertise. 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 Controlling Shareholders for the following considerations:

(a) as of the Latest Practicable Date, save for Mr. Hao, Mr. Ma Chunbo and Mr. Zhong Gufa, there is no overlap of any other directors or senior management members between our Group and the eKontrol Group. Set out below is a table summarizing the positions held by Mr. Hao, Mr. Ma Chunbo and Mr. Zhong Gufa of our Group and the eKontrol Group as at the Latest Practicable Date:

Name	Roles in our Group	Roles in the eKontrol Group
Mr. Hao	Chairman of our Board and non-executive Director	Chairman of the board, executive director and general manager of eKontrol
Mr. Ma Chunbo . . .	Executive Director and deputy general manager of technology	Non-executive director of eKontrol
Mr. Zhong Gufa . . .	Executive Director, finance director and deputy general manager	Non-executive director of eKontrol

Given that (i) Mr. Hao has only taken up the position of non-executive Director in our Company, and is only responsible for providing advice and making recommendations to our Board; and (ii) both Mr. Ma Chunbo and Mr. Zhong Gufa's role in the eKontrol Group are non-executive in nature, and they do not hold management positions in the eKontrol Group and would not be involved in the daily operation of the eKontrol Group, our Directors believe that the independence of the management of our Group will not be affected or compromised by the common directorships between our Group and the eKontrol Group as disclosed above;

(b) 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;

(c) 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";

(d) we [have] appointed three independent non-executive Directors, comprising one-third of the total number of Directors on our Board, who have sufficient knowledge, experience and competence with a view of bringing independent judgment to the decision-making process of our Board and provide independent advice to our Board committees;

(e) 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

(f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling 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

During the Track Record Period, we have rented premises from, sold products to, and purchased components from the eKontrol Group during the ordinary and usual course of our business. Under Chapter 14A of the Listing Rules, eKontrol is an associate of Mr. Hao and Suzhou Kairen, and will become our connected person upon [**REDACTED**]. The transactions contemplated under certain agreements with the eKontrol Group will continue after the [**REDACTED**] and will therefore constitute our continuing connected transactions under the Listing Rules. For details, see "Continuing Connected Transactions."

We consider that continuing connected transactions between our Group and the eKontrol Group will not affect the operational independence of the our Company due to the following reasons:

(i) all continuing connected transactions with the eKontrol Group were entered into in the ordinary and usual course of business of our Group, on normal commercial terms, and are fair and reasonable and in the interests of our Group and our Shareholders as a whole;

(ii) all sale and purchase continuing connected transactions are mutually beneficial to our Group and the eKontrol Group. In terms of the Sale Framework Agreement, the eKontrol Group would obtain a stable supply of TMS system and industrial machinery components for its business operation. In terms of the Procurement Framework Agreement, the eKontrol Group will receive additional incomes for sale of products to our Group;

(iii) our Group has established independent relationships and has independent access to the customers, the suppliers as well as other business partners that are unrelated to the Controlling Shareholders and their respective close associates. In respect of the products that we sourced from the eKontrol Group, there are alternative independent suppliers to provide comparable products for our Group to choose from. In respect of the premises we lease from eKontrol on normal commercial terms, there are alternative properties within reasonable proximity to the rented premises at similar rents, however, as relocation may cause unnecessary disruption to our operations as well as incur additional costs, we will continue to rent from eKontrol from a business perspective.

We have full rights to make all decisions regarding, and to carry out, our own business operations independently. Our Group holds or enjoys the benefit of all relevant licenses necessary to carry out our businesses, and has sufficient capital, technology, equipment, access and employees to operate our business independently from our Controlling Shareholders and their respective close associates. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. Save as disclosed, none of our operational personnel or administrative personnel is under the employment of our Controlling 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."

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders and their respective close associates.

Financial Independence

As at 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 Controlling Shareholders or their respective close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently, and has adequate internal resources and credit profile to support our daily operations.

As of the Latest Practicable Date, our Directors confirm that there were no outstanding loans or guarantees or other financial assistance provided by, or granted to, each of our Controlling Shareholders or their respective associates. During the Track Record Period, our Group had certain amounts due from our Controlling Shareholders and their close associates, for details, see note 32 to the Accountants' Report set out in Appendix I to this document. All non-trade amounts due from our Controlling Shareholders and their respective close associates have been fully settled as of the Latest Practicable Date. Our Directors believe that we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders.

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

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 Controlling 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 connected persons including our Controlling 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 [**REDACTED**] Shareholders. For details of our independent non-executive Directors, see "Directors, Supervisors and Senior Management — 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 Controlling Shareholders and/or our Directors on the other hand, our Controlling 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 Controlling Shareholders and to protect our Shareholders' interests as a whole after the [**REDACTED**].