OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wenjie REN, an executive Director, chairman of the Board and the general manager of the Company, and his spouse, Ms. Jin HU, were interested in an aggregate of 78,735,865 Shares, representing 49.48% of our total issued Shares, of which: (i) 35,282,269 Shares were held directly by Mr. Wenjie REN, representing 22.17% of our total issued Shares; (ii) 6,234,740 Shares were held directly by Ms. Jin HU, representing 3.92% of our total issued Shares; and (iii) an aggregate of 37,218,856 Shares were held directly by Ningbo Hongrui, Ningbo Hongjun, Ningbo Hongche and Ningbo Honglan, each of which is controlled by Mr. Wenjie REN as the sole general partner, representing an aggregate of 23.39% of our total issued Shares. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the options under the [**REDACTED**] Share Option Scheme are not exercised), Mr. Wenjie REN and his spouse, Ms. Jin HU, will be collectively entitled to exercise voting rights of [**REDACTED**] of our total issued Shares of our Company.

Therefore, Mr. Wenjie REN, Ms. Jin HU, Ningbo Hongrui and the Employee Incentive Platforms are considered as a group of Controlling Shareholders of our Company upon [**REDACTED**]. For further details of Mr. Wenjie REN, see "Directors and Senior Management — Directors" in this document.

COMPETITION

As of the Latest Practicable Date, none of our Controlling Shareholders, our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are of the view that we are able to carry out our business independently from our Controlling Shareholders and their close associates after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board will consist of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. For more information, see "Directors and Senior Management" of this document for details.

Our Directors are of the view that our Board as a whole and together with our senior management team are able to manage our business independently from the Controlling Shareholders and their close associates for the following reasons:

(i) our Directors and senior management are able to devote sufficient time and efforts to manage the daily operations of our Group and make decisions independent of the Controlling Shareholders. Our executive Directors and senior management have been devoting and will continue to allocate adequate amount of time and effort to the management and operation of our Group and would bear the best interests of the Company and the Shareholders as a whole in mind;

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

(iii) with respect to any matters of conflict or potential conflict of interest which involve a transaction between our Company and another company or entity to which a Director holds office, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(iv) we have appointed four independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of our Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisers at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates;

(v) we have adopted other corporate governance and internal control measures to manage conflicts of interests, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance Measures" below.

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.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders or their close associates. We have made tax filings and paid tax independently from our Controlling Shareholders or their close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations.

During the Track Record Period, our Controlling Shareholder Mr. Wenjie REN provided guarantees and charged certain Shares held by him in favor of certain [**REDACTED**] Investors in respect of their redemption right granted by our Company in the [**REDACTED**] Investment, which was revoked on the day before the first submission of the [**REDACTED**] Application. Such guarantees and share charges were released on October 31, 2025.

Based on the above, our Company considers there is no financial dependence on our Controlling Shareholders and their close associates.

Operational Independence

We engage in our operations independently, making and implementing operational decisions independently. We have obtained all material licenses and permits necessary for our business operations and are not dependent upon our Controlling Shareholders or their close associates for any such licenses and permits. In addition, we have established our internal organizational and management structure which includes Shareholders' meetings, our Board and other committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

Based on the above, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interest of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

(i) where a Shareholders' meeting is held for considering proposed transactions in which our Controlling Shareholders have a material interest, our Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(iii) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Controlling Shareholders, our Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;

(iv) our Company has established internal control mechanisms to identify connected transactions and to ensure any connected transactions of the Company shall be in compliance with the relevant requirements under Chapter 14A of the Listing Rules;

(v) our Audit Committee will conduct a review on the effectiveness of the above internal control measures on an annual basis;

(vi) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code;

(vii) we have appointed Patrons Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

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 Company and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].