OVERVIEW

As of the Latest Practicable Date, (i) Mr. Kang is entitled to exercise the voting rights attaching to approximately 72.2976% of our issued Shares through (a) directly holding approximately 51.7516% of our issued Shares and (b) being the general partner of Foshan Haodaying, an investment vehicle controlled by Mr. Kang which directly held approximately 20.5460% of our issued Shares and (ii) Ms. Chen is entitled to exercise the voting rights attaching to approximately 10.0158% of our issued Shares. As Mr. Kang and Ms. Chen are spouses of each other, for the purpose of the Listing Rules, Mr. Kang, Foshan Haodaying and Ms. Chen are a group of controlling shareholders of our Company. As of the Latest Practicable Date, Mr. Kang, Foshan Haodaying and Ms. Chen together are entitled to exercise the voting rights attaching to approximately 82.3134% of our issued Shares.

Immediately after the **[REDACTED]**, Mr. Kang, Foshan Haodaying and Ms. Chen will be collectively entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of the total issued Shares of our Company and will be our Controlling Shareholders for the purpose of the Listing Rules. For further details of Mr. Kang and Ms. Chen, please refer to the section headed "Directors and Senior Management" in this document.

COMPETITION

The Controlling Shareholders confirm 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

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

Management Independence

We are able to carry on our business independently from our Controlling Shareholders from a management perspective. Upon **[REDACTED]**, our Board will consist of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors.

Our executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Mr. Kang and Ms. Chen in our Board, our Directors are of the view that our Company is able to function independently from our Controlling Shareholders for the following reasons:

(a) all of the independent non-executive Directors are independent of our Controlling Shareholders, and decisions of our Board require the approval of a majority vote from members of our Board;

(b) 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;

(c) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(d) we will have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(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.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the **[REDACTED]**.

Operational Independence

We have independent operating capabilities and management systems. We do not rely on any operational or administrative resources of our Controlling Shareholders or their close associates for business development, staffing, administration, sales and marketing activities.

We have independent access to suppliers and customers, and an independent management team to handle our day-to-day operations. We also possess the necessary licenses, certificates, facilities and intellectual property rights to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders and their close associates after the **[REDACTED]**.

Financial Independence

We have the ability to operate independently from our Controlling Shareholders and their close associates from the financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function for cash receipts and payments, independent access to third party financing, and an audit committee comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes.

As of 31 December 2025, our Group had a total of bank borrowings amounting to RMB19.8 million guaranteed by personal guarantee(s) given by Mr. Kang and Ms. Chen, our Controlling Shareholders, and Mr. Xiao. Please refer to the Note 28 of the Accountants' Report as set out in Appendix I to this document. Such aforesaid personal guarantee(s) will be released or replaced by corporate guarantees given by our Company or our subsidiaries upon the **[REDACTED]**.

Save as disclosed above, our Directors confirm that, as of the Latest Practicable Date, (i) none of our Controlling Shareholders or their close associates had provided any loans, guarantees or pledges to our Group; and (ii) our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders or their close associates.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their close associates:

(i) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon the **[REDACTED]**. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(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 of our Company and the Shareholders as a whole and does not allow any conflict of interests between his/her duties as a Director and his/her personal interests. A Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting at the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules;

(iv) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences 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 an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, please refer to the section headed "Directors and Senior Management" in this document; and

(v) we have appointed First Shanghai 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 corporate governance.