OVERVIEW

Ms. Zhang Entities' Control on the Composition of the Board before [REDACTED]

Pursuant to the Shareholders' Agreement, during the Track Record Period and up to the date of **[REDACTED]**, Xinchuang Green Energy is entitled to appoint a majority of members of the Board and has control of the Board. Xinchuang Green Energy is wholly owned by Ms. Zhang. In addition, Ms. Zhang, by herself or through Shenzhen Guanzhi which is wholly owned by Ms. Zhang, as the only general partner and managing partner of Smart Green, Shenzhen Guanyue, Shenzhen Guanxing, Shenzhen Guanchen and Shenzhen Guanhai, is responsible to oversee the overall management and entitled to exercise the voting right held by Smart Green, Shenzhen Guanyue, Shenzhen Guanxing, Shenzhen Guanchen and Shenzhen Guanhai. Ms. Zhang, Xinchuang Green Energy, Shenzhen Guanzhi, Smart Green, Shenzhen Guanyue, Shenzhen Guanxing, Shenzhen Guanchen and Shenzhen Guanhai are collectively the "**Ms. Zhang Entities**".

Pursuant to Rules 1.01 and 19A.14 of the Listing Rules, the Ms. Zhang Entities constitute a group of controlling shareholders of our Company and will exercise consolidated control over the Company's operations and governance prior to **[REDACTED]**.

Upon **[REDACTED]**, Xinchuang Green Energy will no longer be entitled to appoint any members of the Board, taking into account the termination of the special rights under the Shareholders' Agreement. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors" for further details.

Ms. Zhang Entities' Shareholdings in the Company

Pursuant to the Voting Proxy Agreement, Xinchuang Green Energy is entitled to the voting rights of 4,907,232 Shares held by Wending Investment in our Company, representing **[REDACTED]**% of the voting rights in our Company upon **[REDACTED]**. For details, see "History, Development and Corporate Structure — Voting Proxy Arrangements". As such, pursuant to their respective shareholding and the Voting Proxy Agreement, (i) as of the Latest Practicable Date, the Ms. Zhang Entities were entitled to voting rights of approximately 19.28% of our issued share capital and constituted the single largest group of shareholders as of the Latest Practicable Date, and (ii) immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Ms. Zhang Entities will, in aggregate, be entitled to voting rights of approximately **[REDACTED]**% of our issued share capital, and will continue to constitute the single largest group of shareholders upon **[REDACTED]**.

Upon the termination right of special rights under the Shareholders' Agreement and taking into account the voting rights entitled by the Ms. Zhang Entities, none of the Ms. Zhang Entities will be considered as a controlling shareholder (as defined under the Listing Rules) of the Company upon **[REDACTED]**.

INDEPENDENCE FROM THE MS. ZHANG ENTITIES

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from the Ms. Zhang Entities after the **[REDACTED]**.

Management Independence

Our management and operational decisions are made by the Board in a collective manner. The Board comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from the Ms. Zhang Entities and their respective close associates for the following reasons:

(a) save that certain directors and senior management hold incentive shares through the employee incentive platforms of our Company, all members of the Board and senior management other than the Ms. Zhang Entities are independent from the Ms. Zhang Entities and their respective close associates. They have substantial experience in the industry as further described in the section headed "Directors and Senior Management", which will enable them to discharge their duties independently from the Ms. Zhang Entities;

(b) we have appointed three independent non-executive Directors, who (i) account for one-third of the Board, (ii) do not and will not hold any directorships or management positions in the Ms. Zhang Entities, (iii) possess the requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and (iv) will be responsible for deciding certain matters of our Company which must always be referred to the independent non-executive Directors for review. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(c) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;

(d) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or the Ms. Zhang Entities or any of their respective close associates have a material interest, the relevant Directors or the Ms. Zhang Entities 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

(e) to support our management independence, we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Ms. Zhang Entities. For more details, please refer to "— Corporate Governance Measures" in this section.

Based on the above, our Directors believe that our Board and senior management as a whole are able to play a managerial role in our Company independently from the Ms. Zhang Entities after the **[REDACTED]**.

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We hold our own operation resources including but not limited to suppliers and customers, as well as our own registered patents which can be used for our research and development. We have a team of senior management to operate the business independently from the Ms. Zhang Entities and their respective close associates. We also have access to third parties independently from, and not connected with, the Ms. Zhang Entities for sources of suppliers, customers and business partners.

Based on the above, our Directors believe that we are operationally independent from the Ms. Zhang Entities and their respective close associates.

Financial Independence

Our Group is not financially dependent on the Ms. Zhang Entities, and we do not expect to rely on the Ms. Zhang Entities for financing after the **[REDACTED]**.

Our Company has established its own independent finance department and implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with the Ms. Zhang Entities. We have made tax filings and paid taxes independently of the Ms. Zhang Entities pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on the Ms. Zhang Entities. We also have an Audit Committee comprising only non-executive Directors to oversee our accounting and financial reporting processes.

Despite certain guarantee arrangements provided by Ms. Zhang and/or entities controlled by her for our credit facilities during the Track Record Period, we believe we have maintained, and will continue to maintain upon **[REDACTED]**, financial independence from Ms. Zhang and the Ms. Zhang Entities.

- In our ordinary course of business, we have been obtaining credit facilities ("**Facilities**") to finance our business and support our daily working capital from domestic banks and financial leasing companies which are Independent Third Parties, and guarantees from the legal representatives of the relevant borrowers are typically required by such banks and financial leasing companies. As advised by the Industry Consultant, this is a typical requirement for financial leasing in the PRC.

- As of the Latest Practicable Date, Facilities of approximately RMB11,473.26 million (the "**Guaranteed Borrowings**") were secured by (a) the Group's vehicles and (b) a concurrent guarantee by Ms. Zhang and/or entities controlled by her (the "**Guarantees**"). The Guarantees are not secured by the assets of our Group and were provided on normal commercial terms in line with the typical arrangements of financial leasing in the PRC.

- The Company has proactively communicated with the banks and financial leasing companies to obtain an unconditional release of the Guarantees upon **[REDACTED]**. As of the Latest Practicable Date, the Company has obtained confirmation letters from the relevant lending banks and financial leasing companies in relation to approximately 91.01% of the Guaranteed Borrowings, pursuant to which such banks and financial leasing companies have confirmed that they will either release the relevant Guarantees or undertake to discharge the relevant Guarantees upon **[REDACTED]** of the Company (the "**Release of Guarantee**").

- For the remaining Guaranteed Borrowings (the "**Unreleased Guaranteed Borrowings**"), the Company does not intend to renew these Unreleased Guaranteed Borrowings upon expiry and does not expect to enter into additional Unreleased Guaranteed Borrowings. Based on the maturity date of the Unreleased Guaranteed Borrowings, the Company expects that the aggregate amount of the Guarantees upon **[REDACTED]** would be approximately RMB612.94 million, and all Unreleased Guaranteed Borrowings will mature by July 2030.

- During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, (i) there were no loans, advances and balances due to or from the Ms. Zhang Entities or their respective close associates, and (ii) there were no other pledges and guarantees provided by or to the Ms. Zhang Entities or their respective close associates. In addition, the Guarantees have never been enforced by the banks and financial leasing companies in relation to the Guaranteed Borrowings.

- Upon **[REDACTED]**, the Guarantees will constitute financial assistance received by our Group from our connected persons for the benefit of our Group under Rule 14A.90 of the Listing Rules. Since the Guarantees are on normal commercial terms or better for our Group and are not secured by the assets of our Group, the Guarantees are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notwithstanding the above, we believe our Group is financially independent of the Ms. Zhang Entities and their close associates for several reasons:

(1) with respect to any new Facilities to be obtained by the Company, the Company will ensure that such Facilities will not require any guarantee from the Ms. Zhang Entities or their close associates;

(2) we believe that our Group is able to obtain replacement financing from independent financial institutions if necessary without guarantees provided by the Ms. Zhang Entities. We have established stable banking relationships to support our operations. As of the Latest Practicable Date, we had obtained borrowings under credit facilities from banks, each an Independent Third Party, without guarantees from the Ms. Zhang Entities or their respective associates. As of March 31, 2026, the total unutilized amount under such credit facilities was RMB5,002.0 million (the "**Unutilized Credit Facilities**"), which significantly exceeded the expected amount of Unreleased Guaranteed Borrowings upon **[REDACTED]**;

(3) it is commercially beneficial for the Group to maintain the Unreleased Guaranteed Borrowings considering that (i) the Guarantees have never been enforced by the banks and financial leasing companies in relation to the Guaranteed Borrowings, (ii) it would not be in the interests of the Company and its Shareholders to incur the refinancing costs for Unreleased Guaranteed Borrowings, including the early repayment fees and refinancing fees, solely to unwind the Guarantee arrangements, and (iii) the Group has sufficient Unutilized Credit Facilities and is in a position to replace such borrowings if needed;

(4) our Company has a demonstrated history of raising funds independently through equity financing. During the Track Record Period and up to the Latest Practicable Date, we had also received the Pre-**[REDACTED]** Investments from third-party investors independently. For details of the Pre-**[REDACTED]** Investments, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments." Upon **[REDACTED]**, the Company will consider **[REDACTED]** as and when needed, in compliance with the Listing Rules and applicable laws and regulations.

In view of our internal resources, our Unutilized Credit Facilities, the Release of Guarantee, our net cash generated from operating activities and the estimated net **[REDACTED]** from the **[REDACTED]**, we do not rely on the Ms. Zhang Entities for financing support upon **[REDACTED]**. Our Directors also believe that, upon **[REDACTED]**, the sustainability of our business will enhance our ability to obtain or renew loans and borrowings from banks on an independent basis without the support of or guarantee from the Ms. Zhang Entities.

Based on the above, our Directors consider that we have maintained, and will continue to maintain upon **[REDACTED]**, financial independence from Ms. Zhang and the Ms. Zhang Entities.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of the Ms. Zhang Entities and our Directors 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.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted or will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and the Ms. Zhang Entities.

We will also adopt the following corporate governance measures to avoid potential conflict of interests between our Group and the Ms. Zhang Entities:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Ms. Zhang Entities or any of their respective close associates has a material interest, the Ms. Zhang Entities will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Group has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if any transaction is proposed between our Group and the Ms. Zhang Entities and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;

(c) our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and the Ms. Zhang Entities and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Altus Capital Limited as our Compliance Adviser, who 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, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.