
RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Midea Group was interested in 52.94% of the total issued share capital of our Company through Midea Zhilian, a wholly-owned subsidiary of Midea Group. Upon completion of the [REDACTED], Midea Group will be interested in [REDACTED]% of the enlarged share capital of our Company through Midea Zhilian (assuming the [REDACTED] is not exercised). As such, Midea Group and Midea Zhilian will constitute the Controlling Shareholders of our Company upon the [REDACTED].

CLEAR BUSINESS DELINEATION

Delineation of Businesses

Within Midea Group, we are the only sub-business unit dedicated to providing customers with integrated supply chain logistics solutions, combining end-to-end logistics capability with three core solution pillars: production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

Midea Group is a world-leading technology group comprising the Smart Home, New Energy & Industrial Technology, Intelligent Building Technology, Robotics & Automation, Healthcare and smart logistics, among others. With a business portfolio that is focused on the coordinated development of ToC and ToB businesses, Midea Group offers various smart home products and services to individual consumers, as well as providing diversified commercial and industrial solutions for corporate clients.

While Midea Group mainly utilizes our Group and third-party logistics solutions providers to fulfill its logistics obligations, it has built certain logistics and installation functions under limited circumstances, principally offering intermediary services related to international logistics within Midea Group or providing installation and repair services for the products of Midea Group. These ancillary logistics functions are substantially different from, and are clearly delineated with, our businesses as illustrated below.

Hainan Midea International Logistics Technology Co., Ltd. (海南美的國際物流科技有限公司), Foshan Midea Customs Declaration Co., Ltd. (佛山市美的報關有限公司), and Guangdong Meizhi Lianda Logistics Supply Chain Co., Ltd. (廣東美智聯達物流供應鏈有限公司) (the “**International Logistics Entities**”), all of which are members of Midea Group, offer intermediary services related to international logistics within Midea Group, including customs declaration agency, logistics solutions procurement agency, settlement services, etc. As for the logistics solutions procurement agency services, the International Logistics Entities only engage in procurement of logistics solutions from external logistics suppliers and undertake the procurement functions, rather than the actual logistics solutions offered by our Group; as for the customs declaration agency and settlement services, such services conducted by the International Logistics Entities mainly involve procedural or administrative matters as the support for the international logistics business within Midea Group.

Considering that the International Logistics Entities only provide services within Midea Group, undertake procurement or other procedural or administrative functions, and do not target the external market, we consider that there is clear delineation of business between the International Logistics Entities and our Group in terms of their principal business models, customer scopes and the services provided.

Ningbo Meimei Jiayuan Electric Service Co., Ltd. (寧波美美家園電器服務有限公司) (“**Meimei Jiayuan**”), a member of Midea Group, is involved in the installation and repair business only for home appliance products of Midea Group, positioning itself as an internal department of service support

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provider within Midea Group. On the other hand, with growing demand for one-stop fulfillment solutions, our Company provides integrated last-mile delivery & installation services, enhancing efficiency by combining delivery, installation and other after-sales services, which involves the installation and repair services exclusively for products other than those of Midea Group.

Considering Meimei Jiayuan’s in-depth understanding of the specifications, technical requirements, and installation and repair procedures of Midea Group’s products, it’s reasonable for Midea Group to assign Meimei Jiayuan to conduct the installation and repair services for Midea Group’s products. For the installation and repair services for products other than those of Midea Group, our Company is better positioned to provide such services as part of our integrated last-mile delivery & installation business, which creates greater operational synergy and cost efficiency. The revenue of our Group generated from installation and repair services only accounted for a low percentage of our total revenue. Based on the above, we consider that there is clear delineation of business between Meimei Jiayuan and our Group in terms of the product brands involved in the service provided by us and such entity, respectively.

In view of the above, as our principal businesses do not overlap with those engaged by Midea Group, there is a clear delineation of the businesses retained by Midea Group and the businesses of our Group.

Non-compete Undertakings

Pursuant to relevant requirements applicable to [REDACTED] of subsidiaries of an A-share listed company, each of Midea Group, Midea Zhilian and our Company has issued a letter of non-compete undertaking, respectively (the “**Non-compete Undertaking(s)**”). Pursuant to the Non-compete Undertakings, each of the Controlling Shareholders has undertaken that:

- (i) there is no substantial competition within the same industry between our Company and each of our Controlling Shareholders or entities (other than our Company and enterprises controlled by our Company) controlled by our Controlling Shareholders (where applicable) (collectively, the “**Relevant Entities**”);
- (ii) during the period in which each of our Controlling Shareholders is a controlling shareholder of our Company, it will make all reasonable endeavours to ensure that the Relevant Entities will not engage in any business that constitutes competition within the same industry with our Company; and in the event that the Relevant Entities obtain any business opportunity from any third party in the future that constitutes substantial competition with our Company, the Relevant Entities will immediately notify our Company and endeavour to transfer such business opportunity to our Company and/or take other measures conducive to avoiding and resolving the competition within the same industry;
- (iii) each of our Controlling Shareholders will not take advantage of its position as a Controlling Shareholder of our Company to prejudice the legitimate rights and interests of our Company and other Shareholders of our Company;
- (iv) each of our Controlling Shareholders will faithfully fulfil the above undertakings and will be liable for any breach of such undertakings; and
- (v) the above undertakings shall be legally binding on each of our Controlling Shareholders from the date of submission of our application for the [REDACTED] to the Stock Exchange, shall continue to be valid during the period in which our Company is an entity controlled by such Controlling Shareholders, and shall automatically expire upon the

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occurrence of any of the following circumstances, whichever is earlier: (a) our Company ceases to be an entity controlled by such Controlling Shareholders; (b) our Shares cease to be [REDACTED]; or (c) the application for the [REDACTED] and [REDACTED] is not approved or registered by the competent authorities, or is withdrawn by our Company.

Pursuant to the Non-compete Undertakings, our Company has undertaken that:

- (i) there is no substantial competition within the same industry between our Group and the Relevant Entities;
- (ii) our Company will take lawful and effective measures to avoid engaging in the business constituting competition within the same industry with the Relevant Entities;
- (iii) our Company will faithfully fulfil the above undertakings and will be liable for any breach of such undertakings; and
- (iv) the above undertakings shall be legally binding on our Company from the date of submission of our application for the [REDACTED] to the Stock Exchange, and shall automatically expire upon the occurrence of any of the following circumstances, whichever is earlier: (a) our Company ceases to be an entity controlled by Midea Group; (b) our Shares cease to be [REDACTED]; or (c) the application for the [REDACTED] and [REDACTED] is not approved or registered by the competent authorities, or is withdrawn by our Company.

Competing Interest

Each of the Controlling Shareholders confirms that it had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that the business of our Group is capable of functioning independently from our Controlling Shareholders and their respective close associates upon [REDACTED].

Management Independence

The business of our Group is managed and conducted by our Board and senior management team, and our Directors are of the view that our Board and senior management team are able to manage the business of our Group independently from the Controlling Shareholders and their respective close associates for the following reasons:

- (i) the executive Directors and senior management members do not hold any role or position in the Controlling Shareholders or their respective close associates;
- (ii) three of the non-executive Directors, who will have ongoing roles or positions in Midea Group, will not be involved in the day-to-day management and operations of our businesses. See "Directors and Senior Management" in this document for such Director's positions within Midea Group;

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- (iii) according to the Articles of Association, in the event that a Director is related to the entity or individual involved in the matters to be considered at the Board meeting, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;
- (iv) our Company has appointed three 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 Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors 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 Directors or their respective close associates;
- (v) each of our Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of our Company and Shareholders as a whole;
- (vi) where a Shareholders’ meeting is held to consider a proposed transaction in which certain Controlling Shareholder(s) has a material interest, such Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting; and
- (vii) our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors’ duties and corporate governance.

Operational Independence

Our Company was founded as a standalone logistics company independently serving not only the logistics needs of Midea Group but also the customers and businesses outside of Midea Group.

Our Group holds all the relevant material licenses, qualifications and permits required for conducting its business. Our Group has sufficient capital, facilities and employees to operate its business independently from our Controlling Shareholders and their respective close associates. We also have independent access to our clients. We have our own financial department, human resources and administration department, internal control department and technology department. In addition, our Group has established internal organizational and management structure which includes Shareholders’ meetings, the Board and its 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.

Historically, we have maintained close business relationship with Midea Group by mainly providing supply chain management services to Midea Group, procuring products and services from Midea Group, as well as leasing properties from Midea Group. It is currently expected that the aforesaid transactions between our Group and Midea Group will continue after the [REDACTED], which will be conducted on normal commercial terms in the ordinary and usual course of our business. Such transactions will constitute continuing connected transactions of our Group under the Listing Rules upon [REDACTED]. See “Connected Transactions” in this document for further details of and the reasons for entering into these transactions.

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Considering the established long-term mutually beneficial and complementary relationship between our Group and Midea Group and that we will continue to be a consolidated subsidiary of Midea Group after the [REDACTED], we consider it is unlikely that the current business relationships between us and Midea Group would be materially adversely changed or terminated.

Despite our historical close business relationship with Midea Group and the connected transactions expected to be continued after the [REDACTED], we consider that we will be able to operate and conduct business independently from Midea Group considering the following reasons:

(i) as to continuing connected transactions under the Supply Chain Management Services Provision Framework Agreement

During the Track Record Period, consistently around 60% of our revenue came from Independent Third Parties. The revenue of our Group generated from Independent Third Parties was approximately RMB10,286.3 million, RMB10,988.2 million and RMB12,950.96 million in 2023, 2024 and 2025, respectively, representing approximately 63.4%, 58.9% and 60.4% of the total revenue of our Group for the corresponding period.

In 2024, as part of Midea Group’s “direct to users” strategy, Midea Group further optimized its distribution model, striving to reduce distribution layers for the offline distribution of its smart home products in mainland China, i.e. gradually ceasing cooperation with some first-layer distributors, to interface and transact with SME retailers directly, as a result of which our Group has recorded more revenue generated from Midea Group in 2024. Such increase was primarily because (a) before further optimization of its distribution model, Midea Group mainly engaged our Group to provide supply chain management services in connection with its products to be delivered to such first-layer distributors, and (b) with rolling-out of Midea Group’s distribution model optimization, Midea Group had more business need for our Group’s services in connection with its products to be delivered to the SME retailers directly, which will involve more transportation, warehouse, distribution and other value-added services from our Group due to increase in the number of SME retailers compared with first-layer distributors and associated increase in transportation routes involved. As a result, our Group provided Midea Group with a greater variety of services in more scenarios (such as more direct services for SME retailers and more logistic services related to recycling of disposed household appliances), leading to an increase in the revenue generating from Midea Group since 2024.

Despite the above, our revenue from Independent Third Parties has been growing rapidly at the same time in 2024, and the proportion of our revenue from the Independent Third Parties has increased in 2025. In addition, as our Group grew and expanded our capacity and capabilities, we began attracting a broader customer base beyond Midea Group, through participation in tender and bidding processes, increasing efforts in marketing and promotion as well as expansion of our business development team, with the number of our independent third-party customers increasing from 6,304 on December 31, 2023, to 8,285 on December 31, 2024 and 17,006 on December 31, 2025. We have continuously been engaging with potential customers from various industries (including but not limited to home appliances and home furnishings, FMCG and new energy) to expand our reach to provide services to independent third-party customers. Furthermore, we also continued to convert certain independent third-party customers from basic logistics services to our supply chain logistics solutions, which is expected to further increase our revenue generated from Independent Third Parties.

The number of customers that we converted from basic logistics services to the supply chain logistics solutions was 198, 345 and 540 in 2023, 2024 and 2025, respectively. In the future, in order to further expand our customer base, we planned to increase our marketing and promotion efforts and

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proactively participate in tender and bidding process from potential customers across different industries and with varying operational needs. We have maintained a relatively strong bidding performance during the Track Record Period, demonstrating our competitiveness and our ability to tailor solutions to diverse customer requirements. Considering the high bidding success rate during the Track Record Period, we believe sales contribution from external customers will continue to grow as we deepen our market penetration and broaden our industry coverage.

(ii) as to continuing connected transactions under the Products and Services Procurement Framework Agreement

As relevant products and services procured from Midea Group only relate to the non-core aspects of our business operations, and given the substitutability of such products and services, our procurement capabilities and relatively large supplier base in the market, such products and services can be replaced by us with other comparable suppliers or services providers available in the market, if required.

(iii) as to continuing connected transactions under the Premises Lease Framework Agreement

Considering that the GFA of the properties leased from Midea Group only accounted for no more than 2% of total GFA of the properties owned and leased by our Group as at December 31, 2025 and such properties are used as office premises and warehouses, they are easily replaced, if needed, with similar properties in nearby locations without material disruption to our business operation.

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

Financial Independence

We have our own finance department with a team of independent financial staff responsible for financial management, accounting, reporting, funding and internal control functions, as well as our own financial management system which is independent from the Controlling Shareholders and their respective close associates in terms of system access and server physical location.

As of the Latest Practicable Date, our Group has no loans, advances and balances of non-trade nature due to or from the Controlling Shareholders and their respective close associates, and none of the loans of our Group is guaranteed or secured by the Controlling Shareholders and their respective close associates, nor any loan of the Controlling Shareholders and their respective close associates is guaranteed or secured by us.

Based on the above, our Directors are of the view that we will be financially independent from our Controlling Shareholders and their respective close associates after the [REDACTED].

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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 respective close associates:

- (i) As part of our preparation for the [REDACTED], our Company has amended its Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, the Articles of Association provides that, in the event that a Director is related to the entity or individual involved in the matters to be considered at the Board meeting, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;
- (ii) Where a transaction or arrangement of our Company is subject to Shareholders’ approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;
- (iii) Our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with the Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules;
- (iv) Our Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Our Company has appointed three independent non-executive Directors, and we believe the 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, see “Directors and Senior Management” in this document;
- (v) Our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors’ duties and 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 Group and the Controlling Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].