OVERVIEW

As of the Latest Practicable Date, Mr. Lin, chairman of the Board, our executive Director, and general manager, was able to control approximately 57.92% of the voting rights in our Company directly.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Lin will be entitled to control approximately **[REDACTED]**% of the voting rights in our Company. Accordingly, Mr. Lin will become our Controlling Shareholder upon the **[REDACTED]**.

For background and biographical details of Mr. Lin, see "Directors and Senior Management."

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Our Directors believe that our Group will be capable of carrying out our business independently from our Controlling Shareholder and his close associates after the **[REDACTED]** for the reasons set out below.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibility which have been in operation and are expected to continue to operate independently from our Controlling Shareholder and his close associates. We possess all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

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

Management Independence

Upon the **[REDACTED]**, our Board will comprise three executive Directors and three independent non-executive Directors, and our senior management team will comprise five members. Our executive Directors and senior management team are responsible for the daily management of our operations.

Our Directors believe that our Group will be able to function independently from our Controlling Shareholder and his close associates after the **[REDACTED]** for the following reasons:

(a) our Board has a balanced composition of executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our Controlling Shareholder or his close associates, which ensures that Board decisions are made only after due consideration of independent and impartial opinions;

(b) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promoting the interests of our Company and our Shareholders as a whole;

(c) our Company has established internal control mechanisms to identify connected transactions to ensure that Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;

(d) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules, which require acting for the benefit and in the best interests of our Company, without allowing any conflict between duties as a Director and personal interests; and

(e) if a potential conflict of interest arises from any transaction between our Group and our Directors or their respective close associates, the interested Directors are obliged to declare and fully disclose such conflict and must abstain from voting on the relevant Board resolutions.

Based on the above, our Directors believe that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Financial Independence

We have an independent financial, internal control and accounting system. We make financial decisions according to our own business needs. We also have an independent finance department responsible for discharging the treasury function, and an audit committee of the Board comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations.

During the Track Record Period, our Group obtained certain banking facilities and/or loans (the **"Guaranteed Loans"**) where Mr. Lin, our Controlling Shareholder, and his close associate, provided guarantees (the **"CS Guarantees"**). The total outstanding amount of such Guaranteed Loans amounted to approximately RMB290.0 million as of the Latest Practicable Date. All of the CS Guarantees are expected to be released before the **[REDACTED]**. As of the Latest Practicable Date, we have obtained letters from all lenders of the Guaranteed Loans, pursuant to which the lenders agreed in principle to terminate the CS Guarantees, or to replace the CS Guarantees with other substitute guarantees as appropriate before or upon **[REDACTED]**. We consider that an early discharge of the CS Guarantees prior to the **[REDACTED]** is not in the best interests of our Group and our Shareholders as a whole, as it would incur unnecessary additional costs, expenses and time to refinance all or part of the Guaranteed Loans before their respective maturity dates.

Save as disclosed above, as of the Latest Practicable Date, there were no other loans, advances or balances due to and from our Controlling Shareholder and his close associates which have not been fully settled. As of the Latest Practicable Date, we did not provide any guarantee or mortgage in favour of our Controlling Shareholder and his close associates.

Notwithstanding the above, we believe that the Group is capable of obtaining external financing from Independent Third Parties without financial assistance from our Controlling Shareholder or his close associates, in view of our Group's ability to raise and obtain funds independently. We have been and are capable of obtaining financing from independent investors. In June 2026, we have completed the latest round of financing, raising approximately RMB76 million proceeds from the Pre-**[REDACTED]** Investors.

Based on the above, our Directors are of the view that we have no financial dependence on our Controlling Shareholder.

COMPETITION

As of the Latest Practicable Date, our Controlling Shareholder and his close associates were not interested in any business, other than our Group, which competes or is likely to compete, directly or indirectly, with our Group's business and which requires disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to maintain good corporate governance standards and avoid potential conflicts of interest between our Group and our Controlling Shareholder and his close associates:

(a) our Company has established internal control mechanisms to identify connected transactions and, upon the **[REDACTED]**, will comply with the applicable Listing Rules requirements if our Group enters into connected transactions with our Controlling Shareholder or his close associates;

(b) where a Shareholders' meeting is to be held to consider proposed transactions in which our Controlling Shareholder or his close associates have any material interests, our Controlling Shareholder and his close associates (as applicable) will not vote on the relevant resolutions;

(c) our independent non-executive Directors will review whether there is any conflict of interest between our Group and our Controlling Shareholder and his close associates and provide impartial professional advice to protect minority Shareholders' interests;

(d) if any of our Controlling Shareholder or Directors has a conflict of interest in a matter to be considered by our Board which our Board has determined to be material, the matter will be dealt with by a physical meeting rather than a written resolution. Additionally, our independent non-executive Directors with no material interest in the matter will be present at the relevant Board meeting;

(e) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses; and

(f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor who will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflicts of interest between our Group and our Controlling Shareholder and his close associates, and to protect minority Shareholders' rights after the **[REDACTED]**.