
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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As of the Latest Practicable Date, Mr. Xu, Mr. Xie, Wuxi Zhonghe, Wuxi Langming, Wuxi Langwei, Wuxi Langyi, Wuxi Langxing and Wuxi Zhiwen were collectively interested in approximately 64.89% of the voting rights in our Company, including: (i) 4,800,308 Shares (representing approximately 3.47% of the voting rights in our Company) directly held by Mr. Xu, our executive Director and chairman of the Board; (ii) 1,200,000 Shares (representing approximately 0.87% of the voting rights in our Company) directly held by Mr. Xie, our executive Director, chief executive officer and general manager; (iii) 35,132,378 Shares (representing approximately 25.43% of the voting rights in our Company) held by Wuxi Zhonghe, which is controlled and owned as to an aggregate of approximately 61.82% by Mr. Xu and Mr. Xie pursuant to the Acting-in-Concert Agreement, whereby Mr. Xie agreed to act in concert with Mr. Xu by aligning their votes at the board meetings and shareholders' meetings at the level of both Wuxi Zhonghe and our Company; (iv) an aggregate of 37,377,018 Shares (representing approximately 27.05% of the voting rights in our Company) held by Wuxi Langming, Wuxi Langwei and Wuxi Langyi, all of which are controlled and managed by Wuxi Zhonghe as their general partner; and (v) an aggregate of 11,140,216 Shares (representing approximately 8.07% of the voting rights in our Company) held by Wuxi Langxing and Wuxi Zhiwen, both of which are controlled and managed by Mr. Xu as their general partner. Accordingly, Mr. Xu, Mr. Xie, Wuxi Zhonghe, Wuxi Langming, Wuxi Langwei, Wuxi Langyi, Wuxi Langxing and Wuxi Zhiwen constitute our group of Controlling Shareholders.

Immediately after completion of the [REDACTED], our group of Controlling Shareholders will continue to control approximately [REDACTED]% of the voting rights in our Company (assuming that the [REDACTED] is not exercised) or approximately [REDACTED]% of the voting rights in our Company (assuming that the [REDACTED] is exercised in full).

COMPETITION

Each member of the Controlling Shareholders has confirmed that he/it does 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

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

MANAGEMENT INDEPENDENCE

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

The executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Mr. Xu and Mr. Xie in the 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 Mr. Xu and Mr. Xie, and decisions of the Board require the approval of a majority vote from members of the Board;
- (b) each of the Directors is aware of fiduciary duties of a director which require, among other things, that he/she must act for the benefit and in the best interest of our Group and must not allow any conflict between his/her duties as a Director and his/her personal interest;

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- (c) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Company and our Directors, the interested Director(s) will abstain from voting at the relevant meeting of the Board in respect of such transactions and shall not be counted in the quorum;
- (d) we 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) 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; and
- (f) our daily management and operations are carried out by our 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.

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

OPERATIONAL INDEPENDENCE

We have independent operating capabilities and management systems. We do not rely on any operational or administrative resources of the Controlling Shareholders or their close associates (other than our Group) for research and development, manufacturing, business development, staffing and administration (including financial and accounting management, human resources and information technology). 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 are satisfied that we are able to operate independently from our Controlling Shareholders and their close associates (other than our Group) after the [REDACTED].

FINANCIAL INDEPENDENCE

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company, independent from the Controlling Shareholders and their respective close associates (other than our Group). We are able to make financial decisions independently and the Controlling Shareholders and their respective close associates do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system. In addition, we are capable of obtaining financing from third parties at reasonable costs without relying on any guarantee or security provided by the Controlling Shareholders or their close associates (other than our Group).

During the Track Record Period, certain of our Group’s bank loans were guaranteed by Mr. Xu and Mr. Xie, two members of our Controlling Shareholders (the “**Guaranteed Loans**”). As of March 31, 2026, as confirmed by the relevant financial institutions, the Guaranteed Loans were repaid or released by our Group, and there were no outstanding loans, advances and balances of non-trade nature due to or from the Controlling Shareholders or their respective associates (other than our Group) and we do not intend to rely on any member of the Controlling Shareholders in the future. We have sufficient capital to operate our business independently, and have adequate internal resources to support our daily operations and business.

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Based on the above, our Directors are of the view that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protecting the Shareholders' interests. We would adopt the following measures to promote good corporate governance and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) we have established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if we enter into connected transactions with our Controlling Shareholders or any of their respective associates, we will comply with the applicable Listing Rules;
- (c) we have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experience. They will provide impartial and professional advice to protect the interest of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our expenses; and
- (e) we have appointed UOB Kay Hian (Hong Kong) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with 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 conflict of interests that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the [REDACTED].