
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Haier Corp was entitled to exercise approximately 78.04% of the voting rights in our Company, among which (i) approximately 10.83% was held by Haier Corp as a direct Shareholder, (ii) approximately 49.11% was held by COSMO Digital Technology, which is indirectly wholly owned by Haier Corp through COSMO Holdings, and (iii) approximately 18.10% in aggregate was held by other subsidiaries or controlled entities of Haier Corp (including HSH (as to approximately 9.68%), Hefei Washing Machine (as to approximately 5.41%), HEG (as to approximately 1.80%) and Haichuang Zhilian (as to approximately 1.20%)). See “History, Development and Corporate Structure — Corporate Structure” for further details.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Haier Corp will, directly and indirectly through its subsidiaries or controlled entities, be entitled to exercise approximately [REDACTED]% of the voting rights in our Company. Accordingly, Haier Corp, COSMO Holdings, COSMO Digital Technology, Hefei Washing Machine, Smart Home Appliances, Qingdao Washing Machine, HEG, HSH, Haichuang Zhilian, Qingdao Haichuang, Haier Venture Capital, Haier Finance Holding and Qingdao Haironghui constitute a group of our Controlling Shareholders under the Listing Rules.

CLEAR BUSINESS DELINEATION

Our Business

We are a provider of industrial intelligence products and solutions in China. We focus on the integration of artificial intelligence, IoT, big data and other advanced technologies with industrial applications. Leveraging our independently developed COSMOPlat industrial internet platform and a unified “platform + software + hardware” technology architecture, we provide IoT products and data intelligence solutions to enable intelligent manufacturing and digital transformation for customers across various industry verticals.

Business of our Controlling Shareholders

Apart from the interests in our Group, Haier Group is primarily engaged in manufacturing-oriented and consumer-facing businesses, including (i) research, development, manufacturing and sales of home appliances and the provision of smart-home services, (ii) healthcare-related businesses such as research, development, manufacturing and sales of medical equipment and the provision of medical services, and (iii) selected digital economy businesses such as industrial robots, automobile retail and aftermarket services and digital financial services.

Clear Delineation of Business

Our Group’s businesses are technology-empowerment and solution-oriented in nature, with its core value proposition being the provision of industrial software, platform services and integrated hardware-software solutions that support industrial intelligence transformation. Our Group does not engage in the manufacturing or sale of end-consumer products, nor does it derive revenue from consumer appliance sales or related services. In contrast, the Controlling Shareholders’ smart-home and healthcare businesses are product-centric, focusing on the R&D, manufacturing and commercialization of tangible products and related consumer or medical services. Even where industrial intelligence are applied within the Controlling Shareholders’ operations, such technologies are ancillary to its principal manufacturing or service businesses and are not offered to third parties as standalone industrial intelligence products and solutions.

Our Group’s customers primarily comprise industrial enterprises, industrial parks and governmental entities, and its revenue is mainly generated from provision of IoT products and data intelligence solutions. The Controlling Shareholders’ customers, on the other hand, are predominantly end consumers, hospitals, medical institutions or automobile consumers, and its

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revenue is derived from product sales and consumer-oriented or industry-specific services. Accordingly, the two groups differ materially in their target customers, application scenarios, revenue models and commercial objectives.

In light of above, our Directors are of the view that there is a clear delineation between our Group and Haier Group. Our Controlling Shareholders do not have any interests in any business (apart from the business of our Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED], taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of nine Directors, comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. For more details, see “Directors and Senior Management.” The table below sets forth the overlapping director/management between our Company and our Controlling Shareholders:

Name	Position in our Company	Major positions in our Controlling Shareholders
Zhou Yunjie. . .	Non-executive Director	Chairman of the board of directors and chief executive officer of Haier Corp
Zhan Bo	Non-executive Director	Director of the board and senior vice president of Haier Corp
Liu Chao	Non-executive Director	Chief information officer of Haier Corp

Our Directors consider that we are able to carry on our business independently from our Controlling Shareholders and their respective close associates from a management perspective for the following reasons:

- (a) despite holding positions as director or senior management in Haier Group, Zhou Yunjie, Zhan Bo, and Liu Chao are our non-executive Directors and are not involved in the day-to-day management and operations of our business. They are primarily responsible for participating in evaluation and approval of business plans, strategic and major decisions of our Group as members of our Board. Save as disclosed above, none of our Directors and senior management (including our chairman of the Board and executive Director, Mr. Chen Lucheng, who is responsible for overall strategic planning of our Group, and our executive Director, employee representative Director and general manager, Mr. Chai Jiqiang, who is responsible for overall operation and development of our Group) hold any position in our Controlling Shareholders or their respective close associates, and are capable to contribute sufficient time and efforts to manage the daily operations of our Group;
- (b) 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;
- (c) 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 our Director and his/her personal interests. 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 is required to declare the

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nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

- (d) upon the [REDACTED], we will have three independent non-executive Directors with extensive experience in their respective areas of expertise to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole. Certain matters of our Company must always be referred to the independent non-executive Directors for review and approval; and
- (e) our Company has 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. See “— Corporate Governance” below for details.

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 our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our daily operations. We make and implement operational decisions independently of our Controlling Shareholders. We have our own organizational structure with self-governing departments specializing in various aspects in relation to our business development, including but not limited to sales and marketing, financing, human resources, administration, internal audit and legal and compliance which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our businesses.

We are in possession of all relevant licenses, certificates, facilities, intellectual property rights and approvals and permits from the relevant regulatory authorities necessary to carry on and operate our principal businesses. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We also have sufficient capital, facilities, equipment and employees, administrative and corporate governance infrastructure, to operate the business independently.

We have entered into a number of partially exempt or non-exempt continuing connected transactions with Haier Corp and its associates. For the three years ended December 31, 2025 and the three months ended March 31, 2026, our revenue attributable to Haier Corp and its associates amounted to approximately RMB3,634.4 million, RMB3,450.6 million, RMB3,563.7 million and RMB851.0 million, representing approximately 72.8%, 68.1%, 56.1% and 57.7% of our total revenue, respectively. See “Connected Transactions” for details of and the reasons for entering into these transactions. Our business relationship with Haier Corp and its associates is in the best interests of our Company and Shareholders as a whole and will not give rise to any undue reliance on our Controlling Shareholders. For details, see “— Our Relationship with Haier Group” below.

Based on the above, our Directors are of the view that our Group is able to operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have our own internal control and accounting systems and an independent finance department in charge of our treasury function and making financial decisions independently based on our Group’s needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax

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registration and pays tax independently with its own funds. As such, our Company’s financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their respective close associates. We do not rely on our Controlling Shareholders and their respective close associates for financing.

In addition, we are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As of the Latest Practicable Date, there were no outstanding loan or balance of non-trade nature due to or from, or guarantee provided by or granted to our Controlling Shareholders or their respective associates to facilitate our financings.

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

OUR RELATIONSHIP WITH HAIER GROUP

Incubated by Haier Corp’s industrial internet initiatives, we have maintained a long-term and stable business relationship with Haier Group since our inception in 2017. For the three years ended December 31, 2025 and the three months ended March 31, 2026, our revenue attributable to Haier Group amounted to approximately RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, representing approximately 72.2%, 67.5%, 54.6% and 56.2% of our total revenue, respectively, and our purchases attributable to Haier Group amounted to approximately RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, representing approximately 21.7%, 22.3%, 20.2% and 16.1% of our total purchases, respectively. The concentration reflects the historical development of our business. Despite the concentration, our business relationship with Haier Group is in the best interests of our Company and Shareholders as a whole and will not give rise to any undue reliance on our Controlling Shareholders for the following reasons:

(1) Mutually beneficial and complementary business relationship

Our Directors consider that the transactions between our Group and Haier Group are mutually beneficial and complementary and are entered into for genuine commercial reasons in the ordinary and usual course of business for the following reasons:

Benefits to our Group

Provision of products and services to Haier Group

Supporting product optimization and delivery capabilities. Haier Group operates across multiple industry sectors, including but not limited to home appliance manufacturing, healthcare and new energy, and have extensive and diversified demand for industrial intelligence and IoT-related products and services. According to Frost & Sullivan, cooperating with conglomerate like Haier Group provides real-world application environments for validating product stability and reliability under complex conditions. This cooperation provides timely feedback to optimize product performance and solution design, while helping us build replicable, modular models for rapid cross-industry promotion. By cooperating with Haier Group, we are able to deploy our solutions across a broad range of operational scenarios. This hands-on implementation experience enables us to optimize our product functions and solutions, refine our standardized delivery capabilities, and drive the productization of our replicable and scalable solutions. Also, this strategic partnership enables us to broaden and deepen our service coverage along the industrial chain, deepens our understanding of digital transformation needs along the industrial value chain, paving the way for further expansion into upstream and downstream markets. Finally, as a leading conglomerate that places strong emphasis on digital and intelligent upgrades, Haier Group maintains standardized supplier management, stringent quality standards and demand for technology-driven solutions, which encourages us to continuously explore and apply new technologies and helps us maintain the competitiveness of our products and services.

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Facilitating customer acquisition and market expansion. As set out above, our cooperation with Haier Group provides us with proven reference cases and valuable implementation experience in complex manufacturing and operational environments. These experiences and successful project cases enhance our market recognition and competitiveness when expanding to independent third-party customers. Such cooperation also deepens our understanding of digital transformation needs across the long home appliance industry chain, including cost reduction, efficiency enhancement and product quality improvement, and supports our expansion into upstream and downstream participants.

Supporting revenue generation and business development. Haier Group place strong emphasis on digital and intelligent upgrades and maintain sustained demand for industrial intelligence and IoT-related products and services. Leveraging our product capabilities and project implementation experience, we have continued to provide products and services to Haier Group in connection with its digital and intelligent transformation. The continuous application of our products and services in various business scenarios of Haier Group enables us to secure stable project opportunities and revenue sources, and supports the continued development of our relevant business lines.

Procurement of materials and equipment from Haier Group

Enhancing our procurement efficiency and securing more competitive commercial terms. Haier Group has a mature supply chain system and procurement management capabilities, which allow us to benefit, to a certain extent, from the bargaining power arising from their scaled procurement and obtain more competitive prices, more favorable payment terms and other commercial terms. In addition, certain members of Haier Group possess relevant license and certification, established procurement channels and operational advantages for the procurement of certain products and equipment, which enable us to improve supply coordination and, where applicable, benefit from more efficient import/export, customs clearance or inspection arrangements. Taken together, these factors improve our procurement efficiency and assist us in reducing our procurement costs.

Leveraging reliable product and solution supply. Haier Group has a diversified industrial presence, and certain of the group members are leading enterprises in their respective industries. The quality and performance of their products and equipment have been widely validated by the market, and they are able to provide products and equipment that meet our business needs on a stable basis. As such, our procurement from such entities is supported by reasonable commercial grounds and business needs.

Benefits to Haier Group

Established capabilities, integrated offerings and continuous support for complex industrial scenarios. As disclosed in the section headed “Business,” we are a provider of industrial intelligence products and solutions in China and ranked first in China’s platform-based industrial data intelligence solutions market by revenue in 2025 with a market share of 1.7%, according to Frost & Sullivan. Our robust platform, manufacturing, customization, and service capabilities, coupled with our extensive delivery experience, enable us to support the needs of large-scale and complex industrial scenarios, and meet the procurement, operational and ongoing service needs of Haier Group in different regions. As a global provider of platform-based industrial data intelligence solutions with a deep understanding of mass customization models, we have supported HSH in establishing 13 Lighthouse Factories in the home appliance sector, covering a wide range of product lines, including air conditioners, washing machines, refrigerators and water purifiers. To facilitate the intelligent upgrading of these factories, we have developed and deployed a variety of agent applications tailored to different industrial scenarios. Taking a Lighthouse Factory in Qingdao as an example, leveraging COSMOPlat, we apply AI technologies across the manufacturing process, build a full-scenario intelligent decision-making system, and provide five major data intelligence solutions. These solutions facilitate the development of end-to-end smart factories and help address common challenges in intelligent upgrading. As a result, the order response cycle was reduced from 15 days to 7 days, the defect recognition rate of AI-enabled appearance inspection reached 99.9%, and the

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energy consumption per unit product decreased by 40%. We have also consistently maintained a leading position within Haier Group’s comprehensive TQRDC (technology, quality, responsiveness, delivery, and cost) supplier evaluation system.

In addition, our integrated offerings cover both IoT products and data intelligence solutions. Our IoT products have been applied in household appliances, commercial equipment and medical refrigeration scenarios, and our data intelligence solutions have been deployed in intelligent factory construction, process optimization and carbon management scenarios within Haier Group. Our one-stop, scenario-specific platform-based products and services enable Haier Group to avoid the inconvenience caused by engaging multiple vendors and mitigate data fragmentation across different systems, thereby facilitating system interoperability and customized support across different stages of their digital and intelligent transformation.

Industrial digitalization and intelligence projects typically involve multiple stages of implementation and ongoing operational support. Our Group is well positioned to provide continuous support throughout these stages based on our integrated product portfolio, project delivery experience and customized service capabilities. For example, our BaaS engine supports rapid iteration and on-demand deployment, enabling our solutions to adapt to the evolving business needs of Haier Group and to expand with their business ecosystems without repeated redevelopment.

Solutions aligned with operational requirements. Through long-term cooperation, our Group has developed a good understanding of Haier Group’s operational requirements, quality standards and delivery needs. For certain solutions, as they have been continuously developed and optimized based on Haier Group’s long-standing intelligent manufacturing practices and are natively compatible with their manufacturing processes, quality standards and operational workflows, such solutions generally require minimal further adaptation and can shorten implementation cycles, improve deployment efficiency and reduce repeated development and coordination costs. Furthermore, during our long-term cooperation, our respective teams have interacted closely, enabling us to respond to their needs more efficiently and provide ongoing operational support in a timely manner and achieve a higher problem resolution rate. This is supported by our localized service arrangements and proximity to Haier Group’s operational scenarios. Taking smart energy services as an example, we have deployed a localized service team of nearly 200 personnel stationed at various industrial parks of Haier Group to provide around-the-clock operational and maintenance support. In addition, our six manufacturing centers are all located in the industrial parks where Haier Group’s relevant factories are situated, which allows us to stay close to their production and operational scenarios, enhance supply and service responsiveness, and provide more efficient delivery and coordination support. We have successfully empowered the digital transformation of over 100 companies, and delivered over 500 data intelligence projects for Haier Group during the Track Record Period.

We are an indispensable supplier of Haier Group in many business scenarios. Haier Group cooperates with over 30 controllers suppliers and over 2,200 data intelligence solution service providers in the sub-categories of products and services supplied by our Group to Haier Group. Although Haier Group cooperates with a number of suppliers and service providers in the relevant product and service categories, we are commercially significant to Haier Group.

With respect to controllers, we are the largest controller supplier to Haier Group. According to Frost & Sullivan, edge intelligent controllers are developed based on a standardized core hardware platform, with targeted adjustments to peripheral hardware parameters, interface layouts and electrical wiring configurations in accordance with customers’ specific technical specifications, functional requirements and end-product structural design. Accordingly, in the ordinary course of business, controller suppliers generally undergo a multi-stage product introduction and verification process consisting of sample delivery, testing and validation, pilot production and small-batch orders before their products qualify for large-scale procurement. During the course of our cooperation with Haier Group, we participate in the front-end design and development of Haier Group’s relevant products and provide customized controllers based on Haier Group’s

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requirements. Such front-end participation enables us to align our controllers with Haier Group’s product design, functional specifications and production requirements at an early stage, and therefore places us in a better position to develop and manufacture controller products that meet Haier Group’s requirements. In addition, having regard to the scale of Haier Group’s production and its stringent requirements on product quality, delivery certainty and supply chain stability, our stable and reliable supply of controllers is important to Haier Group’s ordinary production and operations.

With respect to data intelligence solutions, our commercial significance primarily lies in, among others, the extensive deployment, deep integration and customization of our products and solutions in Haier Group’s production and operational systems. For example, as of March 31, 2026, certain of our data intelligence solutions have achieved full coverage of Haier Group’s domestic industrial parks and factories. In addition, we have undertaken all 19 fully automatic inner drum production lines for HSH’s washing machines and are the core service provider of non-standard automated integrated production lines for HSH. Through years of cooperation with Haier Group, our Group has established an integrated energy service infrastructure for Haier Group’s major domestic industrial parks, and currently owns and operates the relevant integrated energy pipeline networks, power transformation and distribution stations and energy management system platforms. Such infrastructure is deeply embedded in Haier Group’s production energy supply system to support its manufacturing operations.

It would be difficult, disruptive and costly for Haier Group to replace our systems or adapt to systems provided by other service providers. Taking our energy management system as an example, it has been deployed across all of Haier Group’s domestic industrial parks and factories, covering approximately 9,000 on-site metering devices and approximately 360,000 data collection points. Replacement of such system would involve a substantial amount of replacement and adaptation work, including not only replacement or adaptation of relevant hardware (such as instruments and meters), but also migration of historical time-series data, development of interfaces with peripheral systems, system testing, verification, onboarding and run-in processes. As such, there are significant operational constraints for Haier Group to replace us with other energy service providers, and its continued cooperation with us would ensure Haier Group to maintain its stable business operation and help Haier Group avoid such additional time costs, re-verification costs and implementation risks that may arise from switching suppliers.

(2) Fair and reasonable terms and tendering practices

The transactions between our Group and Haier Group are conducted on normal commercial terms that are fair, reasonable, and comparable to those of independent third parties. Specifically, regarding the pricing terms:

- **For the procurement of products, equipment and services by us:** our purchases from Haier Group primarily comprise standardized products and services. Accordingly, there is no material difference in the price of such purchases as compared to those sourced from independent third-party suppliers.
- **For the provision of products and solutions:** although the price for our sales of IoT products and data intelligence solutions to Haier Group may differ from that offered to independent third-party customers, such differences are primarily attributable to the customization nature of the relevant products and solutions rather than the identity of the customer, and such price remains fair and reasonable. Our Group adopts the same pricing policy for Haier Group and independent third-parties customers. The prices are determined through standard tendering procedures or arm’s length commercial negotiations, taking into account factors such as the varying scope of solutions, specific technical requirements, and the prevailing competitive landscape. We ensure that such pricing is conducted strictly on normal commercial terms and in accordance with the arm’s length principle.

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For further details on the specific pricing policies of our connected transactions, please refer to the section headed “Connected Transactions” in this document. Other terms of these transactions are normal commercial terms comparable to those applicable to independent third parties.

In addition, the method of securing orders by our Group from Haier Group has historically been conducted in a fair and transparent manner and in line with industry practices.

For the provision of IoT products and data intelligence solutions, our Group secures orders primarily through participation in tendering processes, regardless of whether the counterparty is a connected person or an independent third party.

For the procurement of products, equipment and services, during the supplier onboarding phase, our Group conducts strict qualification reviews, multi-dimensional capability assessments, and on-site inspections to select qualified suppliers that meet our quality, cost, and delivery requirements. These suppliers are then categorized by product/service type and added to a reserve pool of qualified suppliers. During the bidding process, competitive suppliers are selected for specific cooperations through a comprehensive evaluation of their proposals and quotations. During the course of cooperation, our Group implements dynamic monitoring, utilizing information platforms to track and evaluate suppliers in a timely manner across multiple dimensions, including TQRDC.

Furthermore, as a leading industrial conglomerate, Haier Group, to the best of our Directors’ knowledge, has established comprehensive internal control and corporate governance procedures to ensure that its procurement and project engagement (whether or not our Group is involved) are conducted in a fair, transparent and market-oriented manner. For instance, it generally adopts tendering process, standardized service protocols and management policies which equally apply to its related parties and independent-third-party suppliers for products and services of similar nature.

(3) Long-term and stable strategic business relationship

We were incubated by Haier Corp’s industrial internet initiatives, and our products and solutions were initially developed and deployed within Haier Group’s manufacturing and operational scenarios. Since our inception in 2017, we have maintained a long-term and stable business relationship with Haier Group. In support of such long-term and stable cooperation, we have entered into framework agreements with Haier Group, pursuant to which specific transactions are implemented through individual transaction agreements. The duration of such framework arrangements varies depending on the nature of the relevant products or services. In relation to sales of IoT products, the relevant framework agreements generally have a term of 12 months and are automatically renewed upon expiry unless either party provides a written notice of non-renewal at least 30 days prior to the expiration date. In relation to provision of data intelligence solutions, for certain services (such as enterprise value-added services), the framework agreements generally have a term of 36 months, while for other services (such as green manufacturing solutions and intelligent manufacturing solutions), the agreements are generally entered into on a project basis, with agreement terms varying depending on the relevant service scope, implementation requirements and delivery schedule. During the Track Record Period and up to the Latest Practicable Date, there had been no incidents of failure to renew framework agreements with Haier Group that were subject to automatic renewal. For project-based agreements, such agreements are generally entered into for specific projects and will naturally expire upon completion of the relevant projects in accordance with their terms, and therefore do not involve renewal in the same manner as framework agreements. During the Track Record Period and up to the Latest Practicable Date, there had also been no material reduction, delay or cancellation of orders from Haier Group. Accordingly, our Directors consider that our Group’s cooperation with Haier Group has remained stable.

In addition, as described in “— Benefits to Haier Group” above, we are an indispensable supplier of Haier Group in many business scenarios and our relevant products and solutions have been well suited to their business processes and operational needs. Such cooperation does not relate to a single project or short-term arrangement, but has been continuously embedded into Haier Group’s production operations, park management and related business processes. Given our

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significant share in Haier Group’s controller procurement, the broad deployment of our data intelligence solutions across its industrial parks and factories, and the fact that certain of our products and solutions are customized and integrated with Haier Group’s existing management and operational systems, this years-long historical foundation helps ensure the stability of our cooperation with Haier Group. Continued cooperation with us also helps Haier Group avoid the additional costs and implementation risks that may arise from switching suppliers.

Furthermore, we will remain a consolidated subsidiary of Haier Corp after the [REDACTED]. In view of our deeply rooted historical foundation, our mutually dependent relationship with Haier Group, and our continued structural affiliation with Haier Group following the [REDACTED], our Directors are of the view that our business relationship with Haier Group is unlikely to materially adversely change or terminate. Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors’ view above that our business relationships with Haier Corp are mutually dependent and unlikely to materially adversely change or terminate in any material respects.

(4) Ability to effectively mitigate risk exposure arising from the reliance

Revenue generated from independent third-party customers continued to increase

We have evolved into a provider of industrial intelligence products and solutions in China offering IoT products and data intelligence solutions. To strategically mitigate customer concentration risks and diversify our revenue streams, we have actively and successfully expanded our independent third-party customer base. We have not acquired or secured independent third-party customers through the support of/referral from Haier Group during the Track Record Period. Our independent third-party customers are developed and acquired through our own business development and customer acquisition efforts, without the support of Haier Group.

To expand our independent third-party customer base, we have dedicated substantial and continuous efforts across business development, sales and marketing, productization and industry expansion. Firstly, we have strengthened our business development efforts by establishing industry teams covering key verticals such as home appliances, machinery and equipment and electronics, as well as regional teams covering major industrial clusters in China, supported by a sales force of over 580 personnel as of March 31, 2026. We have also established an extensive global sales and marketing network covering overseas countries and regions to explore business opportunities with potential customers.

Furthermore, we have continued to broaden our sales channels through a combination of online and offline initiatives to expand our customer reach and improve customer acquisition efficiency. Online, we have established a comprehensive digital marketing platform covering our entire business offerings and launched services such as an online digital diagnostic assistant to effectively reach a broader base of small and medium-sized enterprise customers. Offline, we actively participate in supply-demand matchmaking conferences and influential industry exhibitions to acquire customers.

In addition, we have continued to enhance the productization of our core platform capabilities. Building on our experience accumulated from benchmark projects, we have accelerated the conversion of our BaaS engine and other underlying capabilities into commercially available software products, applications and industry solutions, and improved the cross-industry reusability of such offerings through modularized and component-based deployment strategies. Leveraging our service experience in the home appliance industry, we have also gradually expanded into other discrete manufacturing sectors, including machinery and equipment, electronics and automotive, and have accumulated increasingly mature products and solutions for such sectors.

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These efforts have supported the continued expansion of our independent third-party customer base and enabled us to establish business relationships with a number of quality independent customers. With our business development and expansion, our ability to accommodate different business needs, as well as our continuous sales, marketing and customer acquisition efforts, revenue contribution from our independent third-party customers has also been increasing steadily in a continuous trend. For the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026, revenues derived from independent third-party customers amounted to approximately RMB1,359.1 million, RMB1,618.9 million, RMB2,787.4 million and RMB623.9 million, respectively, recording a compound annual growth rate of approximately 43.2% from 2023 to 2025, representing approximately 27.2%, 31.9%, 43.9% and 42.3% of our Group’s total revenue. This reflects our diversified revenue mix and growing ability to develop independently in the market.

Independent R&D Capabilities

We possess independent research and development capabilities and are able to independently conduct product and technological development without reliance on Haier Group.

We have an independent R&D organization and R&D team. As of the Latest Practicable Date, we had more than 1,100 R&D personnel, representing approximately 25.0% of our total workforce, including approximately 200 personnel with master’s degrees or above, and there was no overlap between our R&D personnel and those of Haier Group. We have also established an independent R&D system covering the full process from market insight and demand analysis to technology development and product design, and all R&D projects are internally initiated, reviewed and approved by us.

In addition, we have developed an independent intellectual property portfolio. As of the Latest Practicable Date, our Group had independently applied for over 2,700 intellectual property rights, including over 1,300 patents and over 1,400 computer software copyrights, and had led or participated in the formulation of 19 international standards and over 100 national or industry standards, covering core technology areas such as industrial internet, mass customization, industrial vision, digital twins, large models and intelligent control.

We will continue to strengthen our independent R&D capabilities and advance the upgrading and iteration of our products and technologies.

Procurement capabilities and supplier diversification

On the procurement side, we have developed our own import procurement capabilities, and have also established a tiered supplier resource pool with more than 7,000 qualified suppliers of various types. As of the Latest Practicable Date, we have established cooperation mechanisms with approximately 50 core suppliers, who, to our knowledge, are independent from Haier Group, which have helped secure the supply of key materials, improve supply responsiveness and reduce reliance on any single supplier. Core suppliers refer to suppliers with whom we have established in-depth strategic cooperation and which may be given priority in participating in the allocation of our procurement quotas, new product development and design, and other key business initiatives. We select core suppliers based on a combination of quantitative and qualitative criteria, including, where applicable and depending on the type and level of the relevant suppliers, technical capability indicators, financial indicators such as minimum average annual revenue thresholds for the latest two years ranging from RMB50 million to RMB300 million, product and delivery capabilities such as at least two to five successful delivery cases with industry-leading customers, industry position, ect.

According to Frost & Sullivan, such long-term partnerships facilitate bulk purchasing and stable demand planning, reducing procurement costs and enhancing cost efficiency. In addition, close collaboration with core suppliers supports joint R&D, iterative product optimization and customized controller development, thereby improving product competitiveness and ensuring reliable delivery. The products supplied by Haier Group primarily comprise raw materials,

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intelligent hardware and other similar categories, which are generally standard materials and components used in industrial manufacturing and intelligent controller industries, rather than specialized products with high patent barriers or proprietary manufacturing processes, and there are sufficient suppliers in the market with mass production capabilities and qualified product quality to provide similar products and services on comparable terms and quality. Our Directors also consider, as confirmed by Frost & Sullivan, that alternative suppliers offering similar products and services on comparable terms and quality are generally available in the market, which further reduces the risk of material supply chain disruption.

(5) In line with market practice of industry

Our relatively high customer and supplier concentration is primarily driven by the following factors:

Strategic focus on benchmark customers. The productization and practical deployment of industrial internet technologies depend heavily on access to massive real-world industrial scenarios to accumulate industry know-how and validate platform capabilities. In our early stage of development, we strategically focused on serving Haier Group, a conglomerate client. This model allows us to accumulate extensive practical experience in discrete manufacturing, establish a strong market reputation, and create a demonstration effect that lays a solid foundation for subsequent expansion into other industries. According to Frost & Sullivan, it is a common practice and industry norm for industrial intelligence platform enterprises incubated by major manufacturing groups to initially rely on their parent group’s internal demand and scenario resources.

High customer stickiness driven by customization. Industrial data intelligence solutions are deeply integrated into the customers’ core operations. Consequently, customers generally incur substantial adaptation, validation, and implementation costs when switching suppliers. This high switching cost translates into strong customer stickiness and a high willingness for repeat purchases, which naturally sustains a concentrated core customer base over time.

Economies of scale and supply chain stability. The procurement of IoT products typically involves significantly larger and more stable volumes per customer. To ensure supply chain stability, key customers generally prefer to establish deep, long-term cooperative relationships with their core suppliers. Our IoT products have obtained the trust of leading industry players, including HSH.

Frost & Sullivan is of the view that our Group’s customer and supplier concentration is in line with the industry norm, with core supporting basis as follows: first, high customer concentration is a general business model in the industry, a trend further reinforced by the high entry barriers of industrial data intelligence solutions which demand deep industry know-how and penetration into clients’ R&D, production, and process optimization — resulting in high switching costs for clients who, once successfully onboarded, rarely change providers and often expand procurement to other industrial scenarios, factories, or subsidiaries. Second, high supplier concentration is a common practice in the industry, as the highly concentrated upstream market pattern and strict access requirements for industrial-grade products determine that manufacturers generally centralize procurement on a small number of leading qualified suppliers, which is consistent with the supply chain structure of mainstream manufacturers without deviation from the conventional industry level.

Notwithstanding the foregoing, our Directors recognize that our business is subject to potential risks associated with customer concentration, fluctuations in sales and possible supply chain disruption, which include loss of major customers, failure to secure comparable new business, price increases, supply delays and quality issues, etc. For details, see “Risk Factors” in this document. To address such potential risks, we have adopted various measures on both the sales and procurement sides. For details, see “— (4) Ability to effectively mitigate risk exposure arising from the reliance” in this section.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors believe that we are able to operate independently of Haier Group.

CORPORATE GOVERNANCE

Our Company and Directors are committed to upholding and implementing good corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders and their respective close associates:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders and/or their respective close associates has a material interest, our Controlling Shareholders and/or their respective close associates will abstain from voting on the resolutions and shall not be counted in the quorum in the voting;
- (b) in accordance with our Articles of Association which will come into effect upon [REDACTED], among others, 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;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Group enters into connected transactions with our Controlling Shareholders and their respective close associates, we will comply with the applicable Listing Rules;
- (d) 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. The independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders. We believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See the section headed “Directors and Senior Management” for details of the independent non-executive Directors;
- (e) where our Directors reasonably request the advice of independent professionals or advisers, such as financial advisers, valuers or legal advisers, the appointment of such independent professionals or advisers will be made at our Company’s expenses;
- (f) we have appointed Maxa Capital Limited as our Compliance Adviser to provide us with advice and guidance in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to Directors’ duties and corporate governance; and
- (g) we have established our Strategy and Investment Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and ESG Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].