OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhao (our chairman of the Board, executive Director and general manager) controlled approximately 74.21% of the total issued share capital of our Company, comprising direct interest of approximately 57.28% and indirect interest of approximately 12.70% held by Boda Innovation and 4.23% held by Bohua Innovation, where Mr. Zhao serves as the executive and general partner. For further details of Boda Innovation and Bohua Innovation, see "History, Development and Corporate Structure — Employee Incentive Platforms".

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Zhao will, directly and through Boda Innovation and Bohua Innovation, control an aggregate of approximately [**REDACTED**]% of the total issued Share capital of the Company. As such, Mr. Zhao, Boda Innovation and Bohua Innovation will constitute a group of Controlling Shareholders of our Company upon [**REDACTED**].

BUSINESS DELINEATION AND COMPETITION

As of the Latest Practicable Date, each member of our Controlling Shareholders and their respective close associates had confirmed that he/it does not have any interest in a business, apart from the business of the 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 FROM OUR CONTROLLING SHAREHOLDER

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

Management Independence

Our business is managed and conducted by the Board and our senior management. Upon [**REDACTED**], the Board will consist of seven Directors comprising three executive Directors, one non-executive Director and three independent non-executive Directors. For more information, see "Directors and Senior Management". Our Directors consider that the Board and senior management are capable of functioning independently of our Controlling Shareholders for the following reasons:

(a) our daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which we are engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she must act for the benefit and in the interest of our Group and the Shareholders as a whole, and not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) we have three independent non-executive Directors who individually and collectively possess requisite knowledge and experience, and will be able to provide professional advice to our Group. Our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of the Board and protect the interest of our Group and our Shareholders as a whole;

(d) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(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. See "— Corporate Governance Measures" for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform their managerial roles in our Group independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Controlling Shareholders. On the basis of the following reasons, our Directors consider that we will continue to be operationally independent from our Controlling Shareholders and their respective close associates after the [**REDACTED**]:

(a) we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders;

(b) we have independent access to our customers and suppliers and a dedicated management team independently handling our day-to-day operations;

(c) we hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business;

(d) we have our own administrative and corporate governance infrastructure; and

(e) none of our Controlling Shareholders have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system. Our Company makes financial decisions and determines our use of funds according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax 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.

During the Track Record Period, one of our bank loans was secured by third-party guarantees, for which Mr. Zhao and his spouse, Mr. Zhao Liang and his spouse, Mr. Gu Zhifu and Mr. Zhang Bokang provided corresponding counter-guarantees for the benefit of our Group. In June 2026, we repaid the corresponding loans and therefore such third-party

guarantees and corresponding counter-guarantees provided were released. Going forward, we believe that we will be capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates.

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**].

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. Our Board comprises a balanced mix of executive Directors and independent non-executive Directors, who collectively possess the necessary competence, experience, and expertise in corporate governance matters to ensure effective oversight and decision-making. We have adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest 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 have a material interest, the relevant Controlling Shareholders and/or their respective close associates will not vote on the relevant resolutions;

(b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(c) we have established internal control mechanisms to identify connected transactions and related party transactions. Upon the [**REDACTED**], if we enter into connected transactions or related party transactions with our Controlling Shareholders or any of their close associates, we will comply with the applicable laws and regulations, including the Listing Rules;

(d) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(e) we will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by applicable laws and regulations, including the Listing Rules;

(f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(g) we have established the Audit Committee, the Nomination Committee and the Remuneration Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules (where applicable).

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 our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].