

## **RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP**

### **OUR CONTROLLING SHAREHOLDERS GROUP**

As at the Latest Practicable Date, Mr. Zhu Lei and Mr. Zhu Hui were entitled to exercise the voting rights attached to approximately 51.33% of the total issued share capital of the Company, among which, (i) Mr. Zhu Lei and Mr. Zhu Hui were each interested in approximately 10.89% and 26.13% of our total issued share capital, respectively, and they together were interested in approximately 37.02% of our total issued share capital pursuant to the Acting in Concert Confirmation, and (ii) they are being entrusted by, among others, J-Visionary, ZZ-Intelligent and Rongying BVI to exercise the voting rights attached to approximately 14.31% of our total issued share capital pursuant to the Voting Rights Entrustment Agreement, for the purpose of further enhancing the decision making efficiency at the general meetings of the Company and ensuring the effective implementation of the strategy of our Group at the Shareholder level.

Immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, Mr. Zhu Lei and Mr. Zhu Hui, directly and indirectly through entrusted by J-Visionary, ZZ-Intelligent and Rongying BVI, will be entitled to exercise approximately [REDACTED]% of the voting rights of the Company, assuming the [REDACTED] is not exercised. For details of our Controlling Shareholders Group, see “History, Reorganisation and Corporate Structure” and “Directors and Senior Management” in this document.

Being a member of the acting in concert group and an indirect shareholder of the Company, Mr. Zhu Hui’s influence is limited to that of a shareholder of our Group. Mr. Zhu Hui has not been and will not be involved in the day-to-day management of our Group’s operations. Mr. Zhu is an executive general partner or manager of a number of investment funds and companies with diverse investment interest among different industries, and he [has confirmed] he wishes to focus his attention on those investments and does not intend to become involved in the decision making of the Company or other members of our Group since Mr. Zhu Hui has relied on and intends to continue relying on his elder brother, Mr. Zhu Lei, together with the other members of the Board and the senior management team of our Company for overall supervision, management and execution of business operation of our Group.

### **Acting in Concert Confirmation**

Mr. Zhu Lei, Mr. Zhu Hui, through their controlled entities (namely Future Expectations, ZL-expectations, Future Tendency and ZH-tendency) have been exercising their shareholders’ rights of each of our subsidiaries. As Mr. Zhu Lei and Mr. Zhu Hui are a group of individuals and Future Expectations, ZL-expectations, Future Tendency and ZH-tendency are a group of special purpose vehicles that were set up and controlled by them, prior to the commencement of the preparing of the [REDACTED] the

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acting in concert arrangement was not formalised in writing, and Mr. Zhu Lei and Mr. Zhu Hui had no disagreement with these arrangements based on their personal relationship and the trust and confidence they have in each other.

On 28 April 2023, in preparation for the [REDACTED], members of our Controlling Shareholders Group executed the acting in concert confirmation (the "**Acting in Concert Confirmation**"), in which they confirmed and undertook that, since they became shareholders of our Group and up to a period of five years after the date of the Acting in Concert Confirmation, they have been and will be parties acting-in-concert with respect to each of our Company and its subsidiaries from time to time.

Members of our Controlling Shareholders Group have further confirmed to each other that, for the entire duration when they were/are contemporaneously either the legal owners of shares in each of the subsidiaries, and/or being beneficiaries of the businesses of our Company and any of its subsidiaries from time to time:

- (a) members of our Controlling Shareholders Group have agreed to, and shall continue to, consult each other and reach a consensus among themselves on matters which are the subject of any shareholders' resolution prior to putting forward any such resolution to be passed at any shareholders' meeting of our Company and its subsidiaries from time to time;
- (b) in respect of any shareholders' resolution, if our Controlling Shareholders Group fails to reach a unanimous opinion after repeated discussions and negotiations, each member of our Controlling Shareholders Group has agreed that the voting opinion of Mr. Zhu Lei shall be the final unanimous voting opinion of our Controlling Shareholders Group;
- (c) each member of our Controlling Shareholders Group confirms that he/it did not and will not do any action (or any non-action) or exercise (or not to exercise) any of his/its voting rights which may be available to him/it from time to time over any of the shares in our Company and its subsidiaries from time to time in contravention of his/its respective obligations;
- (d) each member of our Controlling Shareholders Group has confirmed to each other that, he/it will strictly comply with the lock-up undertaking(s) that may be given by our Controlling Shareholders Group in connection with the [REDACTED];
- (e) if any member of our Controlling Shareholders Group is unable to attend the shareholders' meeting, he/it shall appoint another member of our Controlling Shareholders Group to attend the meeting and exercise the voting rights according to the consensus reached by our Controlling Shareholders Group; if all members of our Controlling Shareholders Group are unable to attend the shareholders' meeting, they shall jointly appoint a proxy/proxies to attend the

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meeting and exercise the voting rights according to the consensus reached by all members of our Controlling Shareholders Group and grant specific authorisation to the voting opinion of such proxy/proxies;

- (f) each member of our Controlling Shareholders Group has agreed with each other that he/it did use and will continue to use his/its best endeavours to ensure that all major matters concerning our Company and the subsidiaries from time to time shall be communicated to each other so as to ensure that a consensus may be reached in a timely manner;
- (g) each member of our Controlling Shareholders Group has enjoyed, and shall continue to enjoy, the economic benefits generated from the businesses of the Company and the subsidiaries from time to time, which include but shall not be limited to, dividends declared or to be declared (if any) and other distributions from the businesses of our Company and its subsidiaries from time to time;
- (h) where there was or is any suitable business opportunity or project for our Company and its subsidiaries from time to time, members of our Controlling Shareholders Group have engaged in, and shall continue to engage in, discussions as to whether they should participate and, if so, in whose name they should participate and the extent of participation in terms of investment and management; and
- (i) our Controlling Shareholders Group has centralised, and shall continue to centralise, the ultimate control and right (directly or indirectly) to make final decisions with respect to their interests in the businesses of our Company and its subsidiaries from time to time.

Our Controlling Shareholders Group has agreed that the Acting in Concert Confirmation shall not be amended or terminated unless agreed in writing by all members of the Controlling Shareholders Group.

### **INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP**

In the opinion of our Directors, our Group is capable of carrying on our business independently of, and does not place undue reliance on, our Controlling Shareholders Group or its associates or any other parties, taking into account the following factors:

#### **Management Independence**

Our management and operational decisions are made by our Board and senior management. Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Mr. Zhu Lei, being a member of our Controlling Shareholders Group, also holds directorships in our Company and certain of our subsidiaries.

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Since all of our executive Directors have substantial experience in their respective expertise areas and/or in the industry in which our Group is engaged, we believe that they will be able to make business decisions that are in the best interest of our Group. In addition, the business of our Group has been operated under substantially the same management throughout the Track Record Period and up to the Latest Practicable Date. Further, our Board acts collectively by majority decisions in accordance with the Articles and applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board.

Our Company is committed to the view that our Board should include a strong element of independence and we have appointed independent non-executive Directors who have extensive industry experience and who we believe are able effectively exercise independent judgment. Our independent non-executive Directors, details of whom are set out in "Directors and Senior Management" in this document, individually and together possess the requisite knowledge and experience to be a member of our Board. All of our independent non-executive Directors are sufficiently experienced and we believe that they will provide impartial and professional advice to protect the interests of our minority Shareholders.

Our Directors and senior management are familiar with the fundamentals of our Group's business, its operations and are informed about our Group's activities. Our Company has established (i) the Audit Committee, (ii) the Remuneration Committee, (iii) the Nomination Committee and (iv) the Strategy Committee. Each committee has its own written terms of reference and will perform their respective functions in accordance its terms of reference with delegated authority of the Board.

Each Director understands that he/she owes primary duties to our Company and is aware of his/her fiduciary duties as a Director which requires, among others things, that he/she must act for the benefit of and in the best interests of our Company and shall avoid any conflict between his/her personal interests and those of our Company. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) and their respective associate(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Company has also established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Save as disclosed in "Connected Transactions", our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders Group upon or shortly after the [REDACTED].

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Having considered the above factors, our Directors are satisfied that our Board as a whole together with our senior management team are able to make independent operational decisions having regard to their own knowledge of our Group and their experience and skills.

### **Operational Independence**

Our Company is capable of making independent operational decisions. Although one members of our Controlling Shareholders Group, is our Chairman and one of our executive Directors, our Directors believe that such would not prevent our Company from making and implementing our own decisions in our business operations.

We also have independent access to our customers and our suppliers. In addition, our organisational structure is well established to align with the day-to-day operation of the business with the organisational aims. Each department in our organisational structure is empowered to deal with specific areas of responsibilities and performs independently, subject to the final confirmation and approval of our Board.

In addition, our Group performs our own development of hardware and software, and also owns (or possesses valid licenses of) the material intellectual property rights that are necessary to our business operations, and we are not reliant on any intellectual property rights that are owned by our Controlling Shareholders Group or its associates.

Accordingly, our Directors are satisfied that we have been and will continue to operate independently from our Controlling Shareholders Group and its associates.

### **Financial Independence**

Our finance department is independent from our Controlling Shareholders Group with finance staff who are independent from our Controlling Shareholders Group. Its responsibilities include, among other things, financial control, accounting, financial reporting, group credit and internal control. None of our finance staff works for our Controlling Shareholders Group and/or its associates.

We are capable of making financial decisions independently. We have established an independent audit system and a financial and accounting system. In addition, we manage our bank accounts independently, and do not share any bank accounts with our Controlling Shareholders Group and/or its associates.

As at 31 January 2024, our Group had borrowing in the amount of RMB50.4 million, RMB50.4 million of which was guaranteed by Mr. Zhu Lei, a member of our Controlling Shareholders Group, and Mr. Zhao and/or their close associates. It is expected that all of such personal guarantees will be replaced by corporate guarantee provided by our Company upon [REDACTED]. Save for the foregoing, as of the Latest Practicable Date, we had no outstanding loans and advances due to or from our Controlling Shareholders Group or their associates and had not provided any outstanding securities, loans or any other forms of financial assistance to our Controlling Shareholders Group or their associates.

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### **CORPORATE GOVERNANCE MEASURES**

Our Company has adopted the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and will comply with the code provisions in the Corporate Governance Code. The Corporate Governance Code sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders. To strengthen our corporate governance practice and to safeguard the interests of our Shareholders, the Articles provide that a Director shall not vote (nor shall he/she be counted in the quorum) on any resolution of our Board in respect of any contract or arrangement or proposal in which he/she or any of his/her close associate(s) has/have a material interest, and if he/she should do so his/her vote shall not be counted (nor shall he/she be counted in the quorum for that resolution).

Our Directors are therefore satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders Group, and also the potential competition of Beijing Yesway by virtue of Mr. Zou, being one of our non-executive Directors, and the minority Shareholders’ rights after the [REDACTED] would be sufficiently protected.