

## RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

### OVERVIEW

As of the Latest Practicable Date, our Single Largest Group of Shareholders, comprising Mr. SUN Yuanhao, Shanghai Zanxing, Mr. FAN Lei, Mr. LV Cheng and Mr. SHE Hui, acting in concert, collectively controlled approximately 22.42% of the total issued share capital of our Company. On January 25, 2019, Mr. SUN Yuanhao entered into an acting-in-concert agreement with Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing in order to consolidate the voting power at Board/Shareholders’ meetings of our Company. See “History, Development and Corporate Structure — Concert Party Arrangement” for details. See “Directors and Senior Management” for the biographical information of Mr. SUN Yuanhao and Mr. LV Cheng. Shanghai Zanxing is our employee shareholding platform, with Mr. SUN Yuanhao acting as the general partner.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised, no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), our Single Largest Group of Shareholders will control in aggregate approximately [REDACTED]% of the total issued share capital of our Company.

### INTERESTS OF THE SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

We primarily offer AI and big data infrastructure software and related technology services (the “Core Business”).

As of the Latest Practicable Date, other than the interest in our Group, members of the Single Largest Group of Shareholders invested in and/or controlled certain other companies which do not compete with the Core Business. Among others, Shanghai Yixun Information Technology Co., Ltd. (上海逸迅信息科技有限公司) (“Yixun Technology”) is controlled by Mr. FAN Lei, and Yixun Technology is engaged in providing software development solutions focusing on IT business applications. As Yixun Technology is not engaged in any business activities on AI and big data infrastructure software, the business of Yixun Technology does not belong to or compete with our Core Business, and we believe there is a clear business delineation between our Core Business and the business of Yixun Technology based on the following grounds: (i) there are significant differences between our core technologies and the technologies developed by Yixun Technology. Yixun Technology focused on data collection, data governance and visualization applications, while our technologies are mainly in the field of AI infrastructure software; accordingly, there is no overlap between the products or services offered by our Core Business and those offered by Yixun Technology; (ii) the targeted market and customers are different, and accordingly the types of software products and solutions we offer are different from those provided by Yixun Technology. The business scenarios of Yixun Technology’s software applications primarily include smart tourism, smart transportation and smart logistics; and (iii) we operate our business independently from Yixun Technology, and there is no sharing of premises, employees, suppliers or other operational resources between our Group and Yixun Technology during the Track Record Period.

Our Single Largest Group of Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in any business, apart from the business of our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

### NON-COMPETITION UNDERTAKING

For the purpose of the listing of our A Shares on the STAR Market, each of our Single Largest Group of Shareholders has executed a non-competition undertaking on November 24, 2021, pursuant to which (A) each of our Single Largest Group of Shareholders undertakes that, among others (1) they will not directly or indirectly engage in or participate in any business that may constitute potential direct or indirect competition with our Group and to take legal and effective measures to procure other entities controlled by each of them not to engage in or participate in any business that is competitive with our Group; (2) if there may be potential competition with our Group, they and the entities controlled by them will withdraw from the competition in the following ways: (a) inject the competitive business into our Group, or (b) transfer the competitive business to an unrelated third party; (3) if they or any other controlled entity of them have any business opportunities to engage in and participate in any activities that may compete with our Group, they shall refer such business opportunity to our Group and grant us the right of first refusal to participate in such business opportunities; and (4) if any of them violates the above undertakings, as a result of which our Company suffers a loss, they will be liable for all direct and indirect damages suffered by our Company; and (B) Mr. FAN Lei further undertakes that, among others (1) Yixun Technology has historically focused, is now focusing, and will continue to focus on

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developing IT business applications, and it has never engaged and will never engage in R&D on big-data infrastructure software; (2) with respect to data-application solutions, Yixun Technology will not focus on the development of data governance related tool products, data warehouse, and data governance solution businesses and will appropriately control the proportion of such business not exceeding 25% of Yixun Technology’s overall business scale; (3) with respect to business-application solutions, Yixun Technology will not develop any products or solutions that are identical or substantially similar to those already provided by us; (4) if Yixun Technology or any other entity controlled by Mr. Fan has any business opportunities to engage in and participate in any activities that may compete with our Group, Mr. Fan shall ensure that Yixun Technology or any other entity controlled by Mr. Fan will refer such business opportunities to our Group and withdraw from such business opportunities; (5) if any of Mr. Fan, Yixun Technology or any other entities controlled by Mr. Fan violates the above undertakings, as a result of which our Company suffers a loss, they will be liable for all direct and indirect damages suffered by our Company.

### **INDEPENDENCE FROM THE SINGLE LARGEST GROUP OF SHAREHOLDERS**

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

#### **Management Independence**

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of ten Directors, comprising six executive Directors and four independent non-executive Directors. See “Directors and Senior Management” for details.

Our Directors consider that our Board and senior management will function independently of our Single Largest Group of Shareholders for the following reasons:

- (i) 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;
- (ii) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. 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, the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;
- (iii) 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 Single Largest Group of Shareholders or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted towards the quorum for the voting;
- (iv) we have four independent non-executive Directors with extensive experience in their respective areas of expertise, representing more than one-third of the members of our Board. Certain matters of our Company must always be referred to the independent non-executive Directors for review and approval; and
- (v) our Company is an A-share listed company and have formulated and adopted a series of corporate governance policies and measures to manage conflicts of interest, if any, in compliance with the relevant requirements and rules of the STAR Market.

#### **Operational Independence**

We do not rely on our Single Largest Group of Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, IT, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas 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.

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We have independent access to suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their respective close associates.

### **Financial Independence**

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. Our Group's accounting and finance functions are independent of these of our Single Largest Group of Shareholders. During the Track Record Period, we primarily financed our business operation with cash generated from our operating and financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowing or guarantee from our Single Largest Group of Shareholders or any of their respective close associates.

Having considered the above, Our Directors confirm that we will not rely on our Single Largest Group of Shareholders for financing after the [REDACTED] as we expect that our working capital will be primarily funded from the [REDACTED] and cash flow from operations. Therefore, there is no financial dependence on our Single Largest Group of Shareholders and their respective close associates.

### **Corporate Governance Measures**

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Single Largest Group of Shareholders and safeguard the interest of the Shareholders, including that:

- (i) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders and their respective close associates has a material interest, our Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (ii) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;
- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], our Company will comply with the requirements in connection with connected transactions under the Listing Rules;
- (iv) we have appointed four independent non-executive Directors, and we believe our independent non-executive Directors (a) possess sufficient experiences, (b) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See "Directors and Senior Management" for details of the independent non-executive Directors;
- (v) the independent non-executive Directors will review, at least on an annual basis, whether there are any conflicts of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our Shareholders;
- (vi) where our Directors reasonably request the advice of independent professionals or advisors, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals or advisors will be made at our Company's expenses;
- (vii) we have appointed China Everbright Capital Limited as our Compliance Advisor 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

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- (viii) we have established our Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategy 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 Company and our Single Largest Group of Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].