

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Noblelift Company was interested in and entitled to exercise in 99.60% of the voting rights in our Company. Noblelift Company is a joint stock company incorporated in the PRC with limited liability with its A shares listed on the Shanghai Stock Exchange (stock code: 603611). As of the Latest Practicable Date, Noblelift Company was owned as to approximately 34.54% in aggregate by Mr. Ding, (our executive Director and chairman of the Board), Mr. Ding Yi (丁毅) (the father of Mr. Ding) and Ms. Mao Ying (毛英) (the spouse of Mr. Ding Yi), who are together parties acting in concert.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying will be able to exercise in aggregate [REDACTED]% of the voting rights in our Company. By virtue of the above, Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying are regarded as a group of Controlling Shareholders upon [REDACTED].

DELINEATION OF BUSINESSES

The table below sets forth the principal businesses of our Group and the Retained Noblelift Group, respectively, as of the Latest Practicable Date:

	Principal Business Activities
Our Group	Engaging in the offering of smart intralogistics solutions, after-sales services and sales of intralogistics equipment and others (the “ Smart Logistics System Segment ”)
The Retained Noblelift Group .	(i) Engaging in the Smart Logistics System Segment with a primary focus on customers outside the new energy industry; and (ii) the research and development, production, sales, and maintenance of cutting-edge logistics equipment (the “ Intelligent Manufacturing Equipment Segment ”)
	The Intelligent Manufacturing Equipment Segment of the Retained Noblelift Group primarily services the general equipment manufacturing industries such as specialized vehicle manufacturing, consecutive handling equipment manufacturing, and elevator manufacturing, as well as professional technical service industries such as engineering design services, with major projects including industrial vehicles such as small transport vehicles (小型搬運車輛), motorized industrial vehicles (機動工業車輛) and AGV forklifts, etc. During the three years ended December 31, 2023, 2024 and 2025, the revenue derived from the Intelligent Manufacturing Equipment Segment of the Retained Noblelift Group amounted to approximately RMB3,546.2 million, RMB3,715.3 million and RMB3,819.8 million, representing approximately 50.9%, 53.2% and 57.1% of the total revenue of the Retained Noblelift Group

As of the Latest Practicable Date, apart from its interests in our Group, the Retained Noblelift Group is also engaged in the Smart Logistics System Segment (the “**Savoie Businesses**”) through its subsidiary, Savoie, which may be considered as having a similar nature to that of the businesses of our Group. In addition, during the Track Record Period, Shanghai Noblelift Intelligent Technology Limited* (上海諾力智能科技有限公司) (“**Shanghai Noblelift**”), a subsidiary of the Retained Noblelift Group which principally engaged in the research and development, production, sales and maintenance of AGVs, had also on several occasions engaged in projects of smart

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intralogistics solutions. However, Shanghai Noblelift had not undertaken any new projects of smart intralogistics solution since the second half of 2024, and will cease to engage in any relevant business after completion of the current projects on hand. Save for two remaining projects of smart intralogistics solution on hand as of the Latest Practicable Date which are expected to complete by the end of 2027, Shanghai Noblelift will cease to conduct any business activities that compete or may potentially compete with our Group in Asia and will not engage in any operations in the new energy industry globally prior to the [REDACTED].

Our Directors are of the view that there is a clear delineation between our businesses and the Savoye Businesses as illustrated below, and hence the interests of the Retained Noblelift Group in the Savoye Businesses do not, and will not, give rise to (i) any direct or indirect competition between our Group and the Retained Noblelift Group; or (ii) any actual or potential conflict of interest between our Group and the Retained Noblelift Group in any material aspect.

Industrial Differentiation in sales and marketing

As set out in the paragraph headed “Business — Our business model — Smart Intralogistics Solutions”, our smart intralogistics solution comprises various intralogistics sub-systems that cover the entire spectrum of material handling and internal logistics operations, including (i) smart intralogistics software systems, (ii) automated storage and retrieval systems, (iii) automated conveyor and sorting systems, and (iv) robotics systems. In particular, our representative stacker crane products which are specialised in heavy load lifting with maximum loading capacities ranging from 600 kg to 12,000 kg, are mainly catered for customers in the new energy industry, with some customers who are not engaged in the new energy industry such as the manufacturing of automotive parts, electronics, healthcare and pharmaceutical products.

By contrast, Savoye primarily manufactures X-PTS series tote/bin AS/RSs, INTELIS series conveyors and JIVARO series packing machines. The X-PTS series tote/bin AS/RSs specialize in light load lifting with a maximum loading capacity of 32kg and a maximum size of 620mm*420mm and is only catered for customers who are not engaged in the new energy industry. Savoye’s customers are mainly engaged in e-commerce, cosmetics, and fast moving consumer goods.

Consequently, each of our Group and Savoye has a different base of target customers and there was no overlapping of customers between the Group and Savoye during the Track Record Period.

During the Track Record Period, our revenue derived from new energy customers accounted for approximately 78.5%, 75.5% and 93.8% of our total revenue from smart intralogistics solutions for the years ended December 31, 2023, 2024 and 2025, respectively. In contrast, Savoye is not engaged in the new energy industry and hence, its sales in other industries accounted for 100% of its total revenue for each of the three years ended December 31, 2023, 2024 and 2025, respectively.

Delineation in terms of geographical focus

Geographical market of sales

Our Group and Savoye operate in different geographical markets with separate non-overlapping customers. During the Track Record Period, our Group had been focusing its business operation primarily in the mainland China market, generating 97.7%, 94.4% and 94.3% of its total revenue from mainland China for the years ended December 31, 2023, 2024 and 2025, respectively. In contrast, Savoye concentrates on the European, Middle East, Africa, and the U.S. market as its key sales regions, with sales recorded in these regions accounting for approximately 99.8%, 100% and 100% of its total revenue for the three years ended December 31, 2023, 2024 and 2025, respectively. This geographic divergence underscores our Group’s deep-rooted commitment to the PRC market.

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In addition to the above, in order to further enhance the delineation of the operations between our Group and Savoye, we have implemented the following measures:

- (i) Going forward, our Group will focus its operations in Asia and expand its operations in the new energy industry globally (including but not limited to the Oceania, European, Middle East, Africa and USA markets). On the other hand, Savoye will cease to conduct any business activities that compete or may potentially compete with our Group in Asia and will not engage in any operations in the new energy industry globally prior to or upon [REDACTED]. Further, to better delineate Savoye's business with our Group, it is intended that SAVOYE SEA PTE. LTD., a subsidiary of Savoye incorporated in Singapore which has no substantial business operation as of the Latest Practicable Date, will be deregistered in Singapore. Based on the information currently available but barring any unforeseen circumstances, it is expected that the deregistration of SAVOYE SEA PTE. LTD will be completed by the third quarter in 2026. In connection to the above, Noblelift Company [has executed] the Deed of Non-Competition in favor of our Group which reflects the above arrangement. For clarity, the geographical delineation between the business operation of the Group and the Retained Noblelift Group shall be set with reference to the location of execution of the relevant project (for instance, pursuant to the arrangement under the Deed of Non-Competition, in addition to the offering of smart intralogistics solutions for the new energy industry which is restricted globally, the Retained Noblelift Group shall not undertake any project that competes or may compete with our Group which is carried out in Asia). For further details, please refer to the paragraph headed "Deed of Non-Competition" in this section below.
- (ii) In alignment with its strategic vision to expand into light load, high-speed logistics solution and tote/bin AS/RSs in Asia, our Company intends to enter into a supplemental agreement to the License Agreement with Savoye, pursuant to which the original authorized territory with respect to the X-PTS Licensed Products under the License Agreement shall be expanded from covering only the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) to the relevant countries in Asia, and the non-exclusive license currently granted under the current License Agreement shall become an exclusive license. In this regards going forward, all sales of Licensed Products in the relevant countries in Asia must be conducted through our Company, and the relevant customers shall enter into supply agreement with our Company accordingly. For further details, please refer to the paragraph headed "Connected Transactions — Fully exempt continuing connected transactions — License Agreement".

Geographical Market of procurement

For procurement, our Group and Savoye are both committed to establishing sound cooperative relationships with local suppliers, primarily procuring raw materials from local suppliers and conducting production at local manufacturing bases. During the Track Record Period, save for one supplier of our Group which Savoye also procured relevant products for its sales in the Middle East in 2024 (which represents approximately 1.29% of its total procurement costs for the year ended December 31, 2024), there is no overlapping of suppliers between the Group and Savoye.

Independence of management team

Our Company is administrated and managed independently of the Retained Noblelift Group. All of the essential administrative functions (including but not limited to administration, accounting and finance and human resources management) of the Group has been, and will continue to be, handled by its own team, independent of and without the support of the Retained Noblelift Group.

As of the Latest Practicable Date, save for Mr. Ding, our executive Director who also serves as a director in Noblelift Company, none of our Company's core management team members have any other roles with the Retained Noblelift Group.

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Research and development

Our Group has an established research and development function that is independent of the Retained Noblelift Group. The key technology talents and all the research and development staff have entered into employment contracts with the Company and are under the Company’s payroll exclusively.

The Group’s research and development department is responsible for the overall research and development of its products and solutions, covering all stages from planning and design to development and commercialization. It involves designing tools, standardizing product pattern, developing and testing new products, conducting in-depth technical research, and outputting new intellectual properties. The research and development department plays a crucial role in maintaining our Group’s competitive edge and driving its continuous innovation, supporting our Group’s strategic positioning as an established player in the field of intralogistics. As at December 31, 2025, our Group has obtained more than 290 patents, registered trademarks, software copyrights and copyright in the PRC.

Based on the above, we consider that the business operations of our Group and that of Retained Noblelift Group are clearly delineated in all material aspects.

REASONS FOR EXCLUSION OF THE SAVOYE BUSINESSES FROM OUR GROUP

Our Directors are of the view that it would be commercially justifiable to exclude the Savoye Businesses from our Group:

- (i) ***Clear delineation and limited strategic value.*** We believe that the Savoye Businesses clearly delineate from our principal businesses in all material aspects for the reasons demonstrated above, and given such clear delineation, it is commercially sound not to include the Savoye Businesses in our Group.
- (ii) ***Diversion of management attention and resources.*** The operation, expansion and development of the Savoye Businesses will require additional management and internal resources and may divert our management’s attention and time from the operation and development of our principal businesses. Further, having considered that the Savoye Businesses are not in line with the business strategy and development of our principal businesses, any injection of the Savoye Businesses into our Group would require additional, onerous and unnecessary input of costs and resources by our Group.

In light of the reasons set out above and in the paragraph headed “Delineation of businesses” in this section above, the Savoye Businesses were not injected into our Group and, as at the Latest Practicable Date, our Controlling Shareholders had no intention to inject the Savoye Businesses into our Group in the future.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Taking the following factors into account, our Directors are confident that we can operate our business independently from our Controlling Shareholder and its close associates after the [REDACTED].

MANAGEMENT INDEPENDENCE

Upon [REDACTED], our Board will consist of nine Directors, comprising six executive Directors and three independent non-executive Directors.

Our management and operational decisions are made collectively by our Board of Directors and senior management, many of whom have been with our Group for a considerable duration and possess significant experience and expertise in the relevant industry and corporate management.

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Upon [REDACTED], save as Mr. Ding, our executive Director who also serves as a director in Noblelift Company, none of our Directors or senior management members holds directorship or senior management position in any member of the Retained Noblelift Group or in any close associates of our Controlling Shareholders. Our senior management team will carry out the business operations of our Group independently from our Controlling Shareholders and their respective close associates.

Notwithstanding the overlapping Director, our Directors consider that our Board and the senior management members are able to perform the managerial role independently from the Retained Noblelift Group and the close associates of our Controlling Shareholders after the [REDACTED] for the following reasons:

- (i) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, he/she to act for the benefit and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (ii) although Mr. Ding holds directorship in both our Group and the Retained Noblelift Group, when performing his duty as a director, he will be supported by the separate and independent senior management team of our Group and the Retained Noblelift Group. In particular, for our senior management team which is responsible for carrying out our daily management and operations, all of them have substantial experience in the industry in which our Company is engaged and/or in their respective fields of expertise, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this document;
- (iii) we have three independent non-executive Directors, comprising one-third of the total members of our Board, who possess the necessary knowledge, experience and competence to create a balance between conflict of interests between interested Directors and independent Directors. Certain matters of our Company must always be referred to the independent non-executive Directors for review to ensure the interests of our Company and the Shareholders are upheld;
- (iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum presenting at the relevant Board meeting; and
- (v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see "— Corporate Governance Measures" below in this section.

In light of the above, our Directors believe that the Board as a whole, along with our senior management team, is able to carry out the managerial functions of our Group independently without reliance on the Controlling Shareholders and their respective close associates after the [REDACTED].

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Operational independence

Our Directors consider that our operations are independent from our Controlling Shareholders and their respective close associates for the following reasons:

- (i) save for the license agreement entered into between Savoye and our Company (for details, please refer to the section headed "Connected Transaction — Fully exempt continuing connected transactions — License Agreement" in this document), our Group owns and independently operates all of its core assets and holds all the relevant material licenses, qualifications, intellectual properties and permits required for conducting that are necessary for our business;
- (ii) the section headed "Connected Transactions" in this document sets out the continuing connected transactions between our Group and our Controlling Shareholders or their associated companies which will continue after the completion of the [REDACTED]. All such transactions are determined after arm's-length negotiations and on normal commercial terms. In determining the pricing for products or services between our Group and our Controlling Shareholders or their respective associated companies, factors such as historical transaction amount, estimated costs of equipment and labor, and quotations from independent third parties are taken into consideration where applicable;
- (iii) our Group's senior management, including the general manager, deputy general manager and chief financial officer, are independently appointed by the Board in accordance with the Company's articles of association. Their remuneration assessments are directly tied to the Group's performance and are not subject to interference from our Controlling Shareholders;
- (iv) our Group has established a comprehensive corporate governance, comprising various separate departments each charged with specific responsibilities;
- (v) our Group also has independent access to, among others, customers and suppliers required for our Group's business, and we operate our business independently, with independent rights to make and implement our operational decisions;
- (vi) we maintain a set of internal control procedures to facilitate the effective operation of our business. For details on the internal control procedures, see "Business — Risk Management and Internal Control"; and
- (vii) we have adopted a set of corporate governance practices and manuals, such as rules with respect to the shareholders' meeting, the board meeting, the board committees' meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

Financial independence

We are able to make financial decisions without interference from our Controlling Shareholders and their close associates. Our Board of Directors retains authority to approve annual budgets, major capital expenditures and dividend policies in accordance with its Articles of Association and internal governance protocols without interference from the Controlling Shareholders and their close associates. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee comprising mainly of independent non-executive Directors to oversee our accounting and financial reporting processes.

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We maintain independent control on our own bank accounts, with all financial transactions conducted through these accounts, and do not share accounts with Controlling Shareholders or their close associates.

During the Track Record Period and up to the Latest Practicable Date, Noblelift Company had provided corporate guarantees for certain loans or credit facilities granted by the lending banks to our Group. All subsisting guarantees provided by Noblelift Company in favor of our Group as aforementioned will be released prior to [REDACTED].

In light of the above, our Directors believe that, from a financial standpoint, we can operate our business independently of our Controlling Shareholders and their close associates following the [REDACTED].

DEED OF NON-COMPETITION

In order to avoid any potential competition between our Controlling Shareholders (the "**Non-Competing Shareholders**") on the one hand and us on the other hand, Non-Competing Shareholders have entered into the Deed of Non-competition in favor of our Company. Pursuant to the Deed of Non-competition, subject to the exceptions set out below, each of the Non-Competing Shareholders has irrevocably and unconditionally, jointly and severally, undertaken to our Company (for ourselves and on behalf of each other member of our Group) that it would not, and would procure that its close associates (except any members of our Group) not to, during the Restricted Period (as defined below), directly or indirectly, through any third party or with the assistance of any third party (whether such third party is a natural person, legal person, partnership or other organization) in any form, including but not limited to joint operation, joint venture, cooperation, partnership, contracting, leasing operation, agency, equity participation or loan, etc., either on its own account or in conjunction with or on behalf of any person, firm or company (except through any member of our Group), among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any Restricted Business (as defined below).

Each of the Non-Competing Shareholders has irrevocably and unconditionally declared and undertaken to our Company (for ourselves and on behalf of each other member of our Group) that, as of the effective date of the Deed of Non-competition, neither itself nor its close associates are engaged in any Restricted Business, and do not hold any direct or indirect interest in any company or enterprise that is (or may be) in direct or indirect competition with our Company (and/or its subsidiaries).

The "**Restricted Business**" stated in the Deed of Non-competition refers to any activity or business which competes, or is likely to compete, either directly or indirectly, with: (a) the offering of smart intralogistics solutions for the new energy industry (i.e. the part of the energy industry focusing on the development, usage and promotion of new energy, covering lithium-ion batteries, energy storage, solar photovoltaic and other relevant sectors) as disclosed in this document; (b) in addition to the businesses listed in (a) above, any business activities that compete or may potentially compete with the existing business of any member of our Group as disclosed in this document in the PRC and Asia, and any other countries/regions in which any member of the Group operates, engages in or invests from time to time (the "**Restricted Areas**") in which it is involved, engaged, acquired or held; and (c) any other business in which our Company has otherwise published an announcement on the website of the Stock Exchange stating its intention to operate, engage in or invest in.

The obligation of the Non-Competing Shareholders under the Deed of Non-competition will remain binding on the Non-Competing Shareholders until the expiration of the Restricted Period (as defined below).

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“**Restricted Period**” shall mean the period from the [REDACTED] to the earlier of the followings: (a) the date on which the H Shares cease to be listed on the Stock Exchange (except for temporary suspension of the [REDACTED] of the Shares on the Stock Exchange for any reason); or (b) the date on which the Non-Competing Shareholder(s) and its close associates, individually or collectively cease to be entitled to exercise or control the exercise of not less than 30% in aggregate of the voting power at general meetings of our Company or otherwise cease to be controlling shareholders of our Company.

The Non-Competing Shareholders have further irrevocably and unconditionally, jointly and severally, undertaken to our Company (for ourselves and on behalf of each other member of our Group) that in the event that it or its close associate(s) (other than any member of our Group) identifies or is given or offered any business investment or other business or commercial opportunity relating to the Restricted Business (the “**New Business Opportunity**”), it will and will procure its close associates to refer the New Business Opportunity to our Company as soon as practicable in the following manner: (a) the relevant Non-Competing Shareholder(s) is required to, and shall procure its close associates (other than any member of our Group) to, refer, or to procure the referral of, the New Business Opportunity to our Company, and shall give written notice (the “**Offer Notice**”) as soon as reasonably practicable to our Company of any New Business Opportunity containing all information reasonably necessary for our Company to consider. The Offer Notice shall include but not limited to the nature of the New Business Opportunity, the identity of the target asset(s) or company(ies) (if applicable), and the details of the investment or acquisition costs, and all other information that a listed company reasonably needs to know when considering whether to pursue the new business opportunity; (b) as soon as reasonably practicable after receiving the Offer Notice, our Company shall seek approval from a board committee (comprising only our Independent Non-executive Directors who do not have any interest, actual or potential, direct or indirect in the relevant New Business Opportunity) (the “**Independent Board**”) as to whether to pursue or decline the New Business Opportunity; (c) the Independent Board shall take into account all relevant factors in considering whether our Company shall pursue the New Business Opportunity. Such factors may include, among other things, the financial impact of pursuing the New Business Opportunity, whether the nature of the New Business Opportunity is consistent with our Group’s strategies and development plans and the general market conditions. If appropriate, the Independent Board may, at the cost of our Company, appoint independent financial advisers, legal advisers and/or other professional advisers to assist in the decision-making process in relation to such New Business Opportunity; (d) the relevant Non-Competing Shareholder(s) and/or its close associates will use their best endeavours to assist and procure the Company (and/or any of its subsidiaries) to acquire the business opportunity on terms that are fair and reasonable and no less favorable than those initially offered to the relevant Non-Competing Shareholder(s) and its close associates, or on terms that are more favorable or acceptable to the Company (and/or any of its subsidiaries); (e) the Independent Board shall, within twenty (20) business days (or such longer period as may be agreed in writing by the parties) upon receipt of the Offer Notice, inform the relevant Non-Competing Shareholder in writing on behalf of our Company of its decision whether to pursue or decline the New Business Opportunity; (f) the relevant Non-Competing Shareholder and/or its close associates shall be entitled (but not obliged) to pursue such New Business Opportunity (i) if it has received a notice from the Independent Board declining such New Business Opportunity, or (ii) if the Independent Board has failed to respond within such twenty (20) business days period pursuant to sub-paragraph (d) above; (g) if the relevant Non-Competing Shareholder and/or its close associates (collectively referred to as the “**Offeror**”) obtain restricted business in accordance with Article (f), and the Offeror intends to transfer, sell, lease, grant licenses or transfer and grant the restricted business in any way (the “**Proposed Transaction**”), the Offeror will provide the Company (and/or any of its subsidiaries) with a right of first refusal (the “**Right of First Refusal**”) under the same conditions as any third party who obtains the proposed transaction offer. The Non-Competing Shareholder shall promptly issue a written notice (“**Sale Notice**”) to the Company regarding the proposed new transaction, which shall include all the terms of the Proposed Transaction and all information reasonably required by the Company to determine whether to exercise the right of first refusal. Only when the Offeror (a) receives a notice from the Company refusing to exercise the Right of First Refusal, or (b) fails to respond within twenty (20) business

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days from the date of the Sale Notice due to the Company's failure to respond, the Offeror may transfer the restricted business to other third parties, but its terms cannot be superior to those provided to the Company. Within 7 (seven) business days of receiving the Sale Notice, the Company will seek determination opinions from independent non-executive directors in the board of directors who do not have significant interests in the relevant matters. If the Company decides to exercise the Right of First Refusal, it will determine the terms with the relevant Offeror based on the principles of fairness and reasonableness in accordance with applicable laws and regulations; (h) if there is any material change in the nature, terms or conditions of such New Business Opportunity pursued by the relevant Non-Competing Shareholder, it shall refer such New Business Opportunity as so revised to our Company in the manner as outlined in the Deed of Non-competition as if it were a New Business Opportunity; and (i) any Director and/or its close associates who has actual or potential interests in the New Business Opportunity shall not attend meetings convened to consider such New Business Opportunity (unless required by the Independent Board), shall abstain from voting at such meetings and he/she/it shall not be counted in the quorum present in the meetings.

The Non-Competing Shareholder has also irrevocably and unconditionally undertaken to our Company that: (1) it and would procure its close associates will provide all information requested by our Company which is necessary for the annual review by our Independent Non-executive Directors of the Non-Competing Shareholders' compliance with the undertakings and the enforcement of the Deed of Non-competition; (2) it will make an annual report as requested by the independent non-executive directors and the Listing Rules on its compliance with the commitments under the Deed of Non-competition. The Non-Competing Shareholder agrees and acknowledge that the Company will disclose relevant annual declarations in its annual report or announcement; (3) it will encourage the Company to disclose through annual reports or announcements to the public decisions related to the matters reviewed by independent non-executive directors (including reasons for the Company not to undertake new business opportunities); (4) it will not, and will urge its close associates not to incite or induce customers or potential customers of the Group not to conduct business with the Group; and (5) it will not, and will urge its close associates not to incite or induce employees or potential employees of the Group to leave the Group, or hire such individuals in any way, provide services or employ them in any other way.

Exceptions:

1. The Non-Competing Shareholder and its close associates who continue to engage in the business of provision of smart intralogistics solutions in the PRC before the effective date of the Deed of Non-competition shall not constitute a violation of the Deed of Non-competition provided that the Non-Competing Shareholder and its close associates undertake that they will not renew the relevant contracts of provision of smart intralogistics solution when they expire and will not continue to engage in the above-mentioned business thereafter.
2. The Deed of Non-competition will not restrict the Non-Competing Shareholder and its close associates from engaging in business that is different or dissimilar from the Restricted Business and business which does not constitute competition.
3. Nothing in the Deed of Non-competition shall preclude any of the Non-Competing Shareholders or their close associates from:
 - a. holding interests in the shares of a company provided that the total number of the shares held by the relevant Non-Competing Shareholder(s) and/or its close associates in aggregate does not exceed 10% of the issued shares of that class of the company in question, and such Non-Competing Shareholder(s) and its close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company; or

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- b. pursuing any business opportunity which may constitute the Restricted Business after our Independent Board has confirmed in writing to the relevant Non-Competing Shareholder(s) that our Independent Board or the relevant member(s) of our Group has declined such business opportunity.

Save as disclosed above, as of the date of the Deed of Non-competition, each of the Controlling Shareholders or any of their respective close associates (other than members of our Group) had not engaged in or participated in any Restricted Business, and had not held any direct or indirect interest in any company or enterprise engaged in the Restricted Business.

CORPORATE GOVERNANCE MEASURES

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.

In order to further safeguard the interest of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflict of interest with members of the Controlling Shareholder and its respective close associates: (i) where a Shareholders' meeting is to be held for considering proposed transactions in which any of our Controlling Shareholder or any of their respective associates has a material interest, such Controlling Shareholder will not vote on the resolutions and shall not be counted towards the quorum; (ii) the Articles of Association and the Rules of Procedure of Board Meetings adopted by our Company provide that a Director shall abstain from voting on any resolution in which such Director or any of his/her close associates has a connected relationship and nor shall such Director be counted in the quorum present at the relevant Board meeting for such resolution; (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholder or any of its respective associates, our Company will comply with the applicable requirements under the Listing Rules; (iv) our Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Our Company has appointed three independent non-executive Directors and believes that the independent non-executive Directors (a) possess sufficient experiences, (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and (c) will be able to provide an impartial and external opinion to protect the interest of our Shareholders as a whole. For details of the biographies of our independent non-executive Directors, see "Directors and Senior Management" in this document; (v) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders; (vi) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review; (vii) where our Directors reasonably request for the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and (viii) our Company has appointed Guotai Junan Capital Limited as our compliance advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage existing and potential conflict of interest, and to protect minority Shareholders' interests after the [REDACTED].