
CONNECTED TRANSACTION

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, our Directors, substantial shareholders and chief executive or those of our subsidiaries (other than the directors, substantial shareholders and chief executive of our insignificant subsidiaries), any person who was our Director or a director of our subsidiaries within 12 months preceding the [REDACTED] or any of their respective associates will become a connected person of our Company upon [REDACTED]. Accordingly, our transactions with such connected persons will constitute connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

Our Directors confirm that after [REDACTED], the following transactions between our indirect non-wholly owned subsidiary and the relevant connected persons of the Company will continue, which will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WHICH ARE FULLY EXEMPTED FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

Personal Guarantees provided by a director and substantial shareholder of Shanghai Sijin and his associate

Mr. Fu Dazheng (傅達正) (“**Mr. Fu**”), a director, legal representative and substantial shareholder who is interested in 13.75% equity interest in Shanghai Sijin, and his spouse have provided personal guarantees in favor of Shanghai Sijin (our indirect non-wholly owned subsidiary) (the “**Personal Guarantees**”) in respect of loans which amounted to RMB10.0 million in total as of July 31, 2023 (the “**Loans**”) obtained by Shanghai Sijin as its general working capital. Among the Loans, RMB4.0 million will mature in September 2023, RMB3.0 million will mature in November 2023 and the remaining RMB3.0 million will mature in March 2024. Details of the Loans are disclosed in “Financial Information—Indebtedness—Interest-bearing bank and other borrowings” and Note 27 to the Accountants’ Report in Appendix I to this document.

The Loans were obtained with the financing guarantees provided by Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs (上海市中小微企業政策性融資擔保基金管理中心) (the “**Center**”), a public institution established by the Shanghai Municipal People’s Government, mainly responsible for operating the Shanghai Policy Financing Guarantee Funds for SMEs (上海中小微企業政策性融資擔保基金) to support the development of small-and-medium-sized enterprises with growth potential and business operations in Shanghai, together with Mr. Fu (in the capacity of the legal representative of Shanghai Sijin) and his spouse.

Our Directors expect that the Loans will not be settled before [REDACTED] and the Personal Guarantees will be continued until the settlement of the Loans. Our Directors are of the view that the Loans were obtained with the support of the Center which are in more favorable terms than other prevailing loan facilities available in the market. It is not in the interests of our Group to early repay the Loans, replace or release the Personal Guarantees

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which require consent from the bank and may involve re-negotiation of the terms and conditions under the Loans, which would be unduly onerous for our Group. Based on the existing terms offered under the Loans, such terms are more favorable than new or renewed loans to be offered by the same bank without any guarantee given the credit facility offered by the same bank generally requires either guarantee or collateral from a borrower, the early replacement or release of the Personal Guarantees under the Loans would therefore not be cost-effective for our Group.

Mr. Fu Dazheng is a director and a substantial shareholder of Shanghai Sijin (our indirect non-wholly owned subsidiary) and thus a connected person of our Company at the subsidiary level for the purpose of the Listing Rules. His spouse, being an associate of a connected person of our Company, is also a connected person of our Company at the subsidiary level for the purpose of the Listing Rules. Accordingly, the Personal Guarantees provided by Mr. Fu Dazheng and his spouse will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules after [REDACTED].

Since the Group does not need to provide counter-guarantees nor pay any fees in favor of Mr. Fu Dazheng and his spouse in relation to all Personal Guarantees provided by them, our Directors are of the view that the Personal Guarantees are on normal commercial terms or better to our Group and the Personal Guarantees are not secured by assets of our Group, the Personal Guarantees will be exempted from the reporting, annual review, announcement and independent Shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.