
CONNECTED TRANSACTIONS

OVERVIEW

Upon [REDACTED], we will continue to carry out certain transactions with connected persons (as defined under Chapter 14A of the Listing Rules) and such transactions will constitute continuing connected transactions of our Group under Chapter 14A of the Listing Rules.

CONNECTED PERSON

The table below sets out certain details about our connected persons who will have transactions with the Group upon [REDACTED] and the nature of their relationship with the Group.

Name of our connected person	Nature of the connected person’s relationship with the Group and details of our connected person
MAE or its subsidiaries	MAE is a company listed on the Shenzhen Stock Exchange (stock code: 002009.SZ) and directly and indirectly holds a total of 30.97% of the equity interest in Wuxi Uqi, a subsidiary of our Company. As such, MAE is a substantial shareholder of our subsidiary and thus a connected person pursuant to Rule 14A.07(1) of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Master Purchase Agreement

Description of the transactions

On November 23, 2023, Wuxi Uqi and MAE entered into a Project Engineering Services and Products Framework Agreement (the “**Framework Agreement**”), pursuant to which Wuxi Uqi agreed to supply, and MAE agreed to purchase relevant smart robotic products and services required for the completion of MAE’s contracted engineering projects, including but not limited to the engineering design, implementation and delivery in relation to such projects (the “**MAE Products and Services**”), for a term commencing on the [REDACTED] until 31 December 2025.

Pursuant to the Framework Agreement, Wuxi Uqi agreed to supply the MAE Products and Services to MAE at prices to be determined by negotiations according to the principles of fairness and reasonableness, with references to the following factors: (i) the prevailing market prices of similar products and services supplied to MAE by independent third parties, (ii) the total contract amounts involved, (iii) the specifications of equipment required, (iv) the amount of personnel required and (v) the time required to supply the MAE Products and Services. The parties agreed that they may enter into further agreements setting out additional specific terms and conditions pertaining to the MAE Products and Services (“**Further Agreements**”); however, the terms and conditions set out in the Framework Agreement (including as to pricing and the term) shall be deemed to be included in any such Further Agreements.

Historical transaction amounts

The MAE Group purchased the MAE Products and Services from Wuxi Uqi during the Track Record Period. For each of FY2020, FY2021, FY2022 and 6M2023, the aggregate amounts incurred by the MAE Group for the purchase of the MAE Products and Services from Wuxi Uqi amounted to approximately RMB12.7 million, RMB175.0 million, RMB251.2 million and RMB71.4 million, respectively.

Reasons for and benefits of the transactions

For details of the reasons for and the benefits of providing the MAE Products and Services to the MAE Group, please see “Business — Overlapping of Customers and Suppliers — Overlapping Relationship with MAE Group — Reasons and Benefits”.

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Proposed annual caps

For each of the financial years ending December 31, 2023, 2024 and 2025, it is estimated that the maximum purchase price payable by the MAE Group to Wuxi Uqi in respect of the purchase of the MAE Products and Services shall not exceed RMB294.0 million, RMB122.0 million and RMB82.0 million, respectively.

Basis of determination of annual caps

In determining the aforementioned annual caps, our Directors have considered (i) the historical transaction amounts during the Track Record Period, (ii) the prevailing market prices of similar products and services supplied to the MAE Group by independent third parties, (iii) the total contract amounts involved, (iv) the specifications of equipment required, (v) the amount of personnel required, (vi) the time required to supply the MAE Products and Services and (vii) the average historical amounts during the Track Record Period.

Listing Rules implications

For the purpose of Rule 14.07 of the Listing Rules, given that one or more of the applicable percentage ratios of the transactions contemplated under the Framework Agreement are more than 25%, the transactions contemplated under the Framework Agreement will constitute non-exempt continuing connected transactions which are subject to the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon [REDACTED].

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

As one of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Framework Agreement are more than 25%, the transactions contemplated under the Framework Agreement shall be subject to the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the Framework Agreement is expected to continue on a recurring and continuing basis and in the ordinary course of business of our Group, (ii) the Framework Agreement was entered into prior to the [REDACTED] and has been disclosed in this document for our potential investors, and (iii) our potential investors will participate in the [REDACTED] on the basis of the full disclosure of the Framework Agreement in this document, our Directors consider that compliance with the announcement, circular and independent Shareholders' approval requirements in respect thereof immediately after the [REDACTED] would be impractical and unduly burdensome, and would create unnecessary administrative costs on our Group.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement, circular and independent Shareholders' approval requirements in respect of the Framework Agreement.

In the event of any future amendments to the Listing Rules imposing more stringent requirement than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our Independent Non-executive Directors) are of the view that the Framework Agreement, which had been and will be entered into in the ordinary and usual course of our business and on normal commercial terms or better, are fair and reasonable and in the interests of our Group and our Shareholders as a whole. They are also of the view that the proposed annual caps for the Framework Agreement are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

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CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has reviewed the relevant information and historical figures prepared and provided by our Group relating to the Framework Agreement, and have also discussed the Framework Agreement with us. Based on such due diligence efforts, the Sole Sponsor is of the view that the Framework Agreement, which had been and will be entered into in the ordinary and usual course of our business and on normal commercial terms or better, are fair and reasonable and in the interests of our Group and our Shareholders as a whole. The Sole Sponsor is also of the view that the proposed annual caps for the Framework Agreement are fair and reasonable and in the interests of our Group and our Shareholders as a whole.