
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OVERVIEW

Historically, Mr. Zheng (the chairman of the Board, an executive Director and our chief executive officer), Mr. Li (an executive Director, our chief technology officer and vice president), Mr. Liu (an executive Director and our vice president) and Mr. Chen (an executive Director and our vice president) have together led the management and operation of the business of our Company and effected control over our Company through the Management Shareholders which are their close associates as follows as of the date of this Document:

- (a) Tianjin Geek Chuangxiang, a limited partnership of which Mr. Zheng is the sole limited partner, and its general partner, Tianjin Shuzhi Jiachuang, a company wholly owned by Mr. Zheng;
- (b) Geek Hexing, our Employee Incentive Platform and a limited partnership of which the general partner is Tianjin Shuzhi Jiachuang wholly owned by Mr. Zheng;
- (c) Geek Gonghe, our Employee Incentive Platform and a limited partnership of which the general partner is Tianjin Shuzhi Jiachuang wholly owned by Mr. Zheng;
- (d) Geek Huijia, our Employee Incentive Platform and a limited partnership of which the general partner is Mr. Zheng;
- (e) Tianjin Geek Chuangzhi, a limited partnership of which Mr. Li is the sole limited partner, and its general partner, Tianjin Yunzhi Jiachuang, a company wholly owned by Mr. Li;
- (f) Tianjin Geek Juhe, a limited partnership of which Mr. Liu is the sole limited partner, and its general partner, Tianjin Huizhi Jiachuang, a company wholly owned by Mr. Liu; and
- (g) Tianjin Geek Heying, a limited partnership of which Mr. Chen is the sole limited partner, and its general partner, Tianjin Yuanzhi Jiachuang, a company wholly owned by Mr. Chen.

In June 2017, the WVR Beneficiaries entered into the 2017 Concert Party Agreement, pursuant to which they acknowledged and confirmed their historical relationship of acting in concert since the Company’s inception and agreed to act in concert with respect to the operation and material decisions of the Company. In March 2021, the WVR Beneficiaries entered into the 2021 Concert Party Agreement, under which the WVR Beneficiaries reiterated their historical acting in concert relationship, and Mr. Li, Mr. Liu and Mr. Chen agreed to, and to procure their controlled entities to, act in concert with Mr. Zheng in board meetings and general meetings of the Company, unless they no longer directly or indirectly holds any equity interest in or Shares of the Company and no longer serves as a Director (as applicable).

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In preparation for the [REDACTED], in November 2024, the WVR Beneficiaries entered into a supplemental agreement to the 2021 Concert Party Agreement to make housekeeping changes and to clarify, among others, that (i) the WVR Beneficiaries shall not transfer or entrust others to manage the equity interest in, or the Share of, the Company directly or indirectly held by them prior to the [REDACTED] of the Company, (ii) the concert arrangements among the WVR Beneficiaries shall not be terminated or rescinded within three years from the [REDACTED] of the Company, and (iii) under circumstances where any one of the WVR Beneficiaries ceases to hold any equity interests in the Company or ceases to be a Director, the acting in concert arrangements shall remain effective and binding among the remaining WVR Beneficiaries.

As of the Latest Practicable Date, 218,560,434 Class A Ordinary Shares and 32,989,645 Class B Ordinary Shares, representing approximately (i) 55.36% of the voting shares in our issued share capital in general meetings (except for resolutions with respect to the Special Matters) with each Class A Ordinary Share entitling the holder to exercise five votes and each Class B Ordinary Share entitling the holder to exercise one vote, and (ii) 21.70% of the voting rights in our issued share capital in general meetings for resolutions with respect to the Special Matters with each Share entitling the holder to exercise one vote, were held by the Management Shareholders in aggregate, which are controlled by the WVR Beneficiaries. As of the Latest Practicable Date, the WVR Beneficiaries (being the ultimate Controlling Shareholders) and the Management Shareholders together were a group of Controlling Shareholders of our Company.

On November 26, 2024, our Shareholders resolved that effective upon the [REDACTED], each Class A Ordinary Share shall entitle the holder to exercise ten votes, and each Class B Ordinary Share shall entitle the holder to exercise one vote, respectively, on any matters subject to the vote at general meetings of the Company, subject to Rule 8A.24 of the Listing Rules and the PRC Company Law that require the Reserved Matters and the Special Matters to be voted on a one vote per share basis. See “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes.”

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), 218,560,434 Class A Ordinary Shares and [REDACTED] Class B Ordinary Shares, representing approximately (i) [REDACTED]% of the voting rights in our issued share capital in general meetings (except for resolutions with respect to the Reserved Matters and the Special Matters) with each Class A Ordinary Share entitling the holder to exercise ten votes and each Class B Ordinary Share entitling the holder to exercise one vote, and (ii) [REDACTED]% of the voting rights in our issued share capital in general meetings for resolutions with respect to the Reserved Matters and the Special Matters with each Share entitling the holder to exercise one vote, will be held by the Management Shareholders in aggregate, which are controlled by the WVR Beneficiaries. The WVR Beneficiaries (being the ultimate Controlling Shareholders) and the Management Shareholders together will constitute a group of Controlling Shareholders of our Company after the [REDACTED].

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INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from our Controlling Shareholders after the [REDACTED].

Management Independence

Our management and operational decisions are made by the Board in a collective manner. The Board comprises twelve Directors, including four executive Directors, four non-executive Directors and four independent non-executive Directors.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders and their respective close associates for the following reasons:

- (a) all members of the Board and senior management other than the WVR Beneficiaries are independent from the Controlling Shareholders and their respective close associates. They have substantial experience in the industry as further described in the section headed “Directors, Supervisors and Senior Management”, which will enable them to discharge their duties independently from the Controlling Shareholders;
- (b) we have appointed four independent non-executive Directors, who (i) account for one-third of the Board, (ii) do not and will not hold any directorships or management positions in our Controlling Shareholders, (iii) possess the requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and (iv) will be responsible for deciding certain matters of our Company which must always be referred to the independent non-executive Directors for review. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;
- (c) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company’s best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;
- (d) where a Board meeting or Shareholders’ meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Controlling Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and

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- (e) to support our management independence, we have adopted a series of corporate governance measures to management conflicts of interest, if any, between our Group and our Controlling Shareholders. For more details, please refer to “ — Corporate Governance Measures” in this section.

Based on the above, our Directors believe that our Board and senior management as a whole are able to play a managerial role in our Company independently from our Controlling Shareholders after the [REDACTED].

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We hold our own operation resources including but not limited to suppliers and customers, as well as our own registered patents which can be used for our research and development. We have a team of senior management to operate the business independently from our Controlling Shareholders and their respective close associates. We also have access to third parties independently from, and not connected with, our Controlling Shareholders for sources of suppliers, customers and business partners.

Based on the above, our Directors believe that we are operationally independent from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group is not financially dependent on our Controlling Shareholders, and we do not expect to rely on our Controlling Shareholders for financing after the [REDACTED]. Our Company has established its own independent finance department and implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders. We have made tax filings and paid tax independently of our Controlling Shareholders pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. We also have an audit committee comprising non-executive Directors only to oversee our accounting and financial reporting processes.

As of the date of this Document, there were no loans, advances and balances due to or from our Controlling Shareholders or their respective close associates, nor were there any pledges and guarantees provided by and to our Controlling Shareholders or their respective close associates.

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We believe that our Group is able to obtain replacement financing from independent financial institutions if necessary without guarantees provided by our Controlling Shareholders. As of the date of this Document, we had developed stable bank relations to support our operations, and have obtained credit facilities of RMB394 million from banks which are Independent Third Parties, without any guarantee from our Controlling Shareholders or their close associates. During the Track Record Period and as of the Latest Practicable Date, we had also received the Pre-[REDACTED] Investments from third party investors independently. For details of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure.”

In view of our internal resources, our undrawn banking facilities, our net cash generated from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that we will not rely on our Controlling Shareholders for financing support after the [REDACTED]. Our Directors also believe that, upon [REDACTED], the sustainability of our business will enhance our ability to obtain or renew loans and borrowings from banks on an independent basis without the support of the Controlling Shareholders.

Based on the above, our Directors consider there to be no financial dependence on any of our Controlling Shareholders.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders and our Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

The Company has established a corporate governance committee pursuant to Rule 8A.30 which has adopted terms of reference consistent with Code Provision A.2.1 in Part 2 of Appendix C1 to and Rule 8A.30 of the Listing Rules effective upon [REDACTED]. The members of the corporate governance committee are independent non-executive Directors with experience in overseeing corporate governance related functions of private and [REDACTED] companies. The primary duties of the corporate governance committee are to ensure that the Company is operated and managed for the benefit of all shareholders and to ensure the Company’s compliance with the Listing Rules and safeguards relating to its WVR structure.

We will also adopt the following corporate governance measures to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

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- (b) our Group has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if any transaction is proposed between our Group and our Controlling Shareholders and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders’ approval;
- (c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- (e) we have appointed Guotai Junan Capital Limited as our Compliance Adviser, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.