Upon [**REDACTED**], transactions between us and our connected persons will constitute connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [**REDACTED**]:

Name	Connected relationship with our Group
Hisense Group Holding and/or its subsidiaries and associates, including Hisense Finance	Controlling Shareholder and/or its subsidiaries and/or associates
Hisense Investment and/or its subsidiaries and associates	Hisense Investment and Hisense Group Holding share the same group of shareholders

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Nature of transaction[1]	Proposed annual cap for the year ending December 31,		
	2026	2027	2028
		(RMB in millions)	
1. Business Cooperation Framework Agreement			
Transaction amounts to be paid to us by Hisense Group Entities	6.90	7.94	9.13
Transaction amounts to be paid by us to Hisense Group Entities	373.60	437.70	479.44
2. Infrastructure and Shared Services Framework Agreement			
a. Property leasing			
Total value of right-of-use asset relating to Hisense Group Entities	79.71	67.73	55.60
b. Shared services			
Transaction amounts to be paid by us to Hisense Group Entities	99.80	115.85	135.90
c. Provision of production facilities and office premises and ancillary services			
Transaction amounts to be paid to us by Hisense Group Entities	7.00	8.00	9.00

Nature of transaction[1]	Proposed annual cap for the year ending December 31,		
	2026	2027	2028
		(RMB in millions)	
3. Financial Services Framework Agreement			
a. Deposit services			
Maximum daily closing balance (inclusive of interest)	1,300.00	1,500.00	1,700.00
b. Loan and electronic finance company acceptance bill services			
Maximum daily closing balance (inclusive of interest and service fees)[2]	2,102.00	2,960.00	4,160.00
c. Draft discount services			
Annual discount amount (inclusive of interest)	40.00	40.00	40.00
d. Settlement and sale of foreign exchange services			
Annual amount	1,859.00	2,550.00	3,600.00
e. Agency services such as settlement services for receipt and payment of funds			
Annual amount	0.75	0.90	1.08

Notes:

(1) Please refer to the subsection headed "— Listing Rules Implications" for the type of connected transaction and applicable Listing Rules in respect of each of the framework agreements.

(2) This includes an annual buffer of RMB100 million for loans (inclusive of interests) from Hisense Finance for each of the three years ending December 31, 2028.

1. BUSINESS COOPERATION FRAMEWORK AGREEMENT

Principal Terms

We entered into a business cooperation framework agreement with Hisense Group Holding and Hisense Investment on [●], 2026 (the "**Business Cooperation Framework Agreement**"), pursuant to which:

(a) our Group will supply various goods (including finished products, raw materials, equipment and parts and components) and related services (including contract manufacturing services) to Hisense Group Entities in return for fees for the provision of such goods and related services; and

(b) Hisense Group Entities will supply various goods (including finished products, raw materials, equipment and parts and components) and related services (including contract manufacturing services) to the Group in return for fees for the provision of such goods and related services.

The initial term of the Business Cooperation Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon mutual consent.

Reasons for the Transactions

Our Directors consider that the mutual purchases of various goods and related services between the Group and Hisense Group Entities would benefit our Company for the following reasons:

- We have maintained a strong commercial relationship with Hisense Group Entities, conducting transactions on arm's length terms comparable to those with Independent Third Parties. Considering the product quality, prices and services provided by Hisense Group Entities, procuring finished products, raw materials, equipment and components from them meets our manufacturing needs whilst reducing procurement and logistics costs, thereby improving our overall cost efficiency and enhancing our products' cost competitiveness; and

- Our Group values the high standard of services and proven expertise and experience consistently provided by Hisense Group Entities, which support our daily operations. As Hisense Group Holding is a global major appliance and electronics manufacturer, the collaboration leverages each party's distinct advantages in different business areas, creating synergies and mutual benefits. Accordingly, cooperation is in the best interests of both parties.

Pricing Policies

Supply of Goods and Related Services to Hisense Group Entities

Fees to be paid to us will be determined through arm's length negotiations, reflecting fair market rates and comparable historical prices. Prices for finished products, raw materials, equipment and parts and components shall be determined with reference to purchase volume, product costs and the prices offered to Independent Third Parties for comparable products. Service fees shall be determined with reference to transaction volume, transaction amount, scale of services, and the fees offered to Independent Third Parties for comparable services.

Procurement of Goods and Related Services from Hisense Group Entities

Fees to be paid by us to Hisense Group Entities will be determined through arm's length negotiations taking into account factors such as nature, transaction amount and term of the goods and services, and shall be benchmarked with fees offered by Independent Third Party suppliers for comparable goods and services. Such fees shall be in line with prevailing market rates and with reference to prices of comparable goods and services to ensure that we have received fair and reasonable terms from Hisense Group Entities.

Historical Amounts

The following table sets forth the historical transaction amounts received by us and paid by us for the supply and procurement of goods and related services during the Track Record Period:

	For the years ending December 31,		
	2023	2024	2025
		(RMB in millions)	
Transaction amounts paid to us by Hisense Group Entities	13.50[(1)]	4.98	3.62
Transaction amounts paid by us to Hisense Group Entities	150.73	246.15	161.42

Note:

(1) This amount includes a one-time non-recurring procurement of the Group's raw materials by Hisense Group Entities, driven by specific operational needs rather than the regular transaction pattern between the parties during the Track Record Period.

Annual Caps

The proposed annual caps for the transactions under the Business Cooperation Framework Agreement for each of the three years ending December 31, 2028 are as follows:

	For the years ending December 31,		
	2026	2027	2028
		(RMB in millions)	
Transaction amounts to be paid to us by Hisense Group Entities	6.90	7.94	9.13
Transaction amounts to be paid by us to Hisense Group Entities	373.60	437.70	479.44

Basis of Caps

Supply of Goods and Related Services to Hisense Group Entities

The above proposed annual caps are determined with reference to the following factors:

- the historical transaction amounts for and the growth trend of the existing arrangements for the supply of various goods and related services between our Group and Hisense Group Entities during the Track Record Period (but excluding the effect brought by the non-recurring one-off transaction resulting from a temporary demand for the Group's raw materials by Hisense Group Entities in 2023); and

- the expected increase in demand for our Group's goods and services from Hisense Group Entities taking into account their business development and needs.

The proposed annual caps have also taken into account inflation factors and assume no adverse changes or disruptions in market conditions, operations, business environment or government policies that may materially affect the business of our Group or Hisense Group Entities during the term of the Business Cooperation Framework Agreement.

Procurement of Goods and Related Services from Hisense Group Entities

The above proposed annual caps are determined with reference to the following factors:

- the historical transaction amounts and growth trend during the Track Record Period for the procurement of various goods and related services by our Group from Hisense Group Entities, whilst procurement costs are expected to remain relatively stable given the long-established collaborative relationship between the parties;

- the expected growth of our Group's overall business over the coming years, leading to a potential increased demand for goods and services from Hisense Group Entities, particularly contract manufacturing services and procurement of various goods. Specifically, the proposed annual caps for the three years ending December 31, 2028 are derived with reference to historical transaction amounts as a percentage of the Group's total revenue;

- the expected increase in demand for fixed assets such as production facilities and intangible assets such as IT systems and software. We commenced expanding our production capacity in 2025 by upgrading and expanding our overseas production facilities for optical transceivers and establishing a new R&D and production facility in Xiamen, China. For details, please see "Business — Production". This capacity expansion necessitates substantial capital investment in production infrastructure and equipment. Consequently, we anticipate a considerable increase in the procurement of fixed assets from Hisense Group Entities corresponding to the upgrade and expansion of our expanded production facilities, although such procurement is expected to represent a relatively small proportion of our overall capital expenditure;

- the expectation of bulk procurement of raw materials from Hisense Group Entities to secure more favourable payment terms, in light of the anticipated supply shortages and significant price fluctuations in storage IC market; and

- our Group expects to maintain its business cooperation with Hisense Group Entities, leveraging on their capabilities and expertise, which have been developed over years of collaboration and which third party providers may find challenging to replicate in a short run.

The proposed annual caps have also taken into account inflation factors and assume no adverse changes or disruptions in market conditions, operations, business environment or government policies that may materially affect the business of our Group or Hisense Group Entities during the term of the Business Cooperation Framework Agreement.

Listing Rules Implications

In respect of supply of goods and related services to Hisense Group Entities under the Business Cooperation Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

In respect of procurement of goods and related services from Hisense Group Entities under the Business Cooperation Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

2. INFRASTRUCTURE AND SHARED SERVICES FRAMEWORK AGREEMENT

Principal Terms

We entered into an infrastructure and shared services framework agreement with Hisense Group Holding and Hisense Investment on [●], 2026 (the "**Infrastructure and Shared Services Framework Agreement**"), pursuant to which Hisense Group Entities and us will provide various infrastructure and shared services to each other. The initial term of the Infrastructure and Shared Services Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon the mutual consent of the parties.

The following sets out the details of each category of services under the Infrastructure and Shared Services Framework Agreement.

Property Leasing

We will lease properties from Hisense Group Entities for production and office use. Separate agreements will be entered into between the relevant parties setting out the specific terms and conditions (including property rents, payment methods and other ancillary property management services fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the Infrastructure and Shared Services Framework Agreement.

Shared Services

Hisense Group Entities will provide certain back-office administrative support services to us at actual costs, including IT and software and systems support services, installation and maintenance services and various miscellaneous support services.

Furthermore, Hisense Group Holding will provide us with brand image promotional services, as a part of which we will be granted right to use certain intellectual property rights held by Hisense Group Holding ("**Shared IP Rights**") under a sub-license arrangement. In return, the Company will pay certain brand image promotional service fees. The Company will use the Shared IP Rights within the scope specified in the Infrastructure and Shared Services Framework Agreement.

Provision of Production Facilities and Office Premises and Ancillary Services

Hisense Group Entities will lease properties from us for production and office use. Separate agreements will be entered into between the relevant parties setting out the specific terms and conditions (including property rents, payment methods and other ancillary property management services fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the Infrastructure and Shared Services Framework Agreement. We will also provide certain support services to Hisense Group Entities, including equipment leasing services and various miscellaneous support services.

Reasons for the Transactions

Our Directors consider that the Infrastructure and Shared Services Framework Agreement and each categories of transactions thereunder would benefit our Company with reasons set out as follows.

Property Leasing

We have historically leased certain properties from Hisense Group Entities for production and office uses. As compared to Independent Third Parties, Hisense Group Entities have a better understanding of our property requirements in relation to manufacturing and office premises, and leasing properties from them also facilitates our business corporation with them geographically. In addition, relocating our existing production facilities and offices to other premises will cause unnecessary disruptions to our normal business operation and incur unnecessary costs. We consider that the terms of the Infrastructure and Shared Services Framework Agreement are consistent with normal commercial terms and would enable us to achieve long-term development and continuity of our business operations.

Shared Services

The shared services between the Group and Hisense Group Entities can reduce the administrative costs of our Group in procuring similar services from a wide range of other service providers. The Infrastructure and Shared Services Framework Agreement will allow our Group to better leverage the mature infrastructure and coverage already built by Hisense Group Entities and promote better cooperation between the Group and Hisense Group Entities. Furthermore, the continuation of shared services will help minimize the risk of disruption to our operations and internal processes.

The use of the Shared IP Rights will enable the Company to leverage the reputation of Hisense Group Holding. Moreover, the Company has been using the Shared IP Rights for several years and it will be less disruptive for our Group's business operations to continued to use the Shared IP Rights. Accordingly, it is in the best interests of the Company and its Shareholders to continue to use the Shared IP Rights after [**REDACTED**].

Provision of Production Facilities and Office Premises and Ancillary Services

We have historically leased certain properties to Hisense Group Entities for production and office uses. Considering our procurement arrangements with them, their use of facilities and office premises in proximity to our facilities would be beneficial in terms of enhanced logistical efficiency and elimination of unnecessary transportation expenses. We have historically provided ancillary services to Hisense Group Entities, which primarily include equipment rental services, housing and property management services and labor services. Our provision of ancillary services to Hisense Group Entities would help to optimize the utilization of our existing assets, infrastructure, and workforce capabilities, generating better returns on our investments in equipment, property, and human resources whilst reducing idle capacity costs.

Pricing Policies

Property Leasing

The rents payable by us during the lease term will be determined on normal commercial terms after arm's length negotiations, and the rents shall be in line with or no higher than the prevailing market rates of properties of comparable location, floor area and quality made available by Independent Third Parties. We will make inquiries on and survey the rental prices offered by Independent Third Parties for manufacturing and office leasing spaces of comparable location and quality to determine the prevailing market rates for comparison to ensure that the rental fees payable by us are on normal commercial terms and are fair and reasonable and in the best interest of the Company and our Shareholders as a whole.

Shared Services

Our Group shall pay Hisense Group Entities the actual costs incurred in relation to the shared services. Such costs are allocated based on our usage of such resources and services taking into consideration costs incurred during the course of provision of shared services (such as labor costs and operating costs including office space rental, utility expenses and support services). We will annually review the actual costs incurred by Hisense Group Entities in providing relevant services to ensure that they are on normal commercial terms and are fair and reasonable.

Provision of Production Facilities and Office Premises and Ancillary Services

The rents payable to us by Hisense Group Entities will be determined based on the prevailing market rates of similar properties, with reference to geographical locations and leased area. To ensure that the rents we charge Hisense Group Entities are on normal commercial terms, fair and reasonable and in the interest of the Company and our Shareholders as a whole, we will make inquiries on and survey the rental prices offered by Independent Third Parties for production facilities and office leasing spaces of comparable location and quality, in order to determine the prevailing market rates for comparison. The service fees payable to us by Hisense Group Entities under the Infrastructure and Shared Services Framework Agreement will be determined through arm's length negotiations between the relevant parties and shall be in line with the fees charged by their independent third parties for similar services, to ensure that the terms of purchasing such services are fair and reasonable.

Historical Amounts

The following table sets forth the historical transaction amounts of property leasing, shared services, provision of production facilities and office premises and ancillary services during the Track Record Period:

	For the years ending December 31,		
	2023	2024	2025
		(RMB in millions)	
a. Property leasing			
Total property rent incurred by us	7.45	9.77	10.19
b. Shared services			
Transaction amounts paid by us to Hisense Group Entities	71.55	70.58	67.15
c. Provision of production facilities and office premises and ancillary services			
Transaction amounts paid to us by Hisense Group Entities	2.45	2.42	4.44

Annual Caps

The proposed annual caps for each type of transactions under the Infrastructure and Shared Services Framework Agreement for each of the three years ending December 31, 2028 are as follows:

	For the years ending December 31,		
	2026	2027	2028
		(RMB in millions)	
a. Property leasing(1)			
Total value of right-of-use asset relating to leases with Hisense Group Entities	79.71	67.73	55.60
b. Shared services			
Transaction amounts to be paid by us to Hisense Group Entities	99.80	115.85	135.90
c. Provision of production facilities and office premises and ancillary services			
Transaction amounts to be paid to us by Hisense Group Entities	7.00	8.00	9.00

Note:

(1) The aggregate annual amounts of the property rents payable by us to Hisense Group Entities for each of the three years ending December 31, 2028 are not expected to exceed RMB19.06 million, RMB21.73 million and RMB24.99 million, respectively. Due to the one-off recognition of right-of-use assets required under IFRS 16, which we expect will be applicable to our current and future leases from Hisense Group Entities, the annual caps would be materially higher than the actual payments we expect to pay to them on an annual basis.

Basis of Caps

Property Leasing

Pursuant to IFRS16, the lease of properties by us as lessee under the Infrastructure and Shared Services Framework Agreement will be recognized as both right-of-use assets and an ongoing lease liability payable over the lease term. The proposed annual caps are determined with reference to the following factors: (i) the historical transaction amounts and growth trend under the existing properties leasing arrangements; (ii) the expected increase in demand for manufacturing and office premises which is in line with our expansion of business operations. For instance, to meet a projected increase in production capacity requirements, the Group entered into a new lease for a production facility in Xiamen in the second half of 2025 and intends to lease additional space within existing production facilities. Particularly, leasing facilities from Hisense Group Entities offers greater advantages in terms of regional cooperation; (iii) the Group's planned recruitment of personnel across various functions, particularly in R&D in anticipation of the new R&D facilities necessitates additional office premises to accommodate the expanding workforce; and (iv) other factors such as inflation and a reasonable buffer for market rental fluctuations and additional unforeseen premises needs.

Shared Services

The above proposed annual caps are determined with reference to the following factors:

- the historical transaction amounts for and growth trend of the existing arrangements for shared services during the Track Record Period, whilst the procurement costs for shared services are expected to remain relatively stable given the advantage of the long-established business relationship between the parties;

- the expected growth in our operational scale in the three years ending December 31, 2028, and our need for expanded production capacity to meet customer delivery demands. Specifically, the Group's revenue in 2025 experienced a 64.2% growth as compared to 2024, whilst cost of sales increased by 59.0%. This recent business growth directly drives our need for expanded operational capacity, including additional production and manufacturing facilities to meet higher output requirements and increased office space to house the larger workforce required to support our expanding operations;

- the expected increase in utilities, property management, and maintenance and installation expenses as these expenses directly correlate to our aggregate leased area and/or production volume. Correspondingly, we expect continued growth in personnel sharing, IT services, and other costs that scale with employee headcount and business volume. Such increase will be marginally offset by the potential decrease in brand image promotional services (primarily resulting from the use of Shared IP Rights) due to a gradual reduction in our use of Shared IP Rights; and

- our Group expects to continue the procurement of shared services from Hisense Group Entities (save for the aforesaid potential decrease in brand image promotional services), leveraging on their standardized processes and deep institutional understanding of our operations, which have been developed over past years of business relationship and which third party providers may find challenging to replicate in a short run.

The proposed annual caps have also taken into account inflation factors and assume no adverse changes or disruptions in market conditions, operations, business environment or government policies that may materially affect the business of our Group or Hisense Group Entities during the term of the Infrastructure and Shared Services Framework Agreement.

Provision of Production Facilities and Office Premises and Ancillary Services

The above proposed annual caps are determined with reference to the following factors: (i) the historical transaction amounts and growth trend under the existing arrangement for provision of production facilities and office premises as well as ancillary services; (ii) the expected growth in demand from Hisense Group Entities for each of the three years ending December 31, 2028; and (iii) other factors such as inflation.

Listing Rules Implications

In respect of each category of the transactions under the Infrastructure and Shared Services Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

3. FINANCIAL SERVICES FRAMEWORK AGREEMENT

Principal Terms

Our Company entered into a financial services framework agreement with Hisense Finance on [●], 2026 (the "**Financial Services Framework Agreement**"), pursuant to which Hisense Finance will provide the following financial services to us:

(a) Deposit services: we will deposit cash into our bank account(s) maintained with Hisense Finance, including cash generated by our daily business operations, and Hisense Finance will pay deposit interest to us.

(b) Loan and electronic finance company acceptance bill services: Hisense Finance will accept commercial bills drawn by us, and we will pay certain service fees.

(c) Draft discount services: we will submit commercial drafts and bills to Hisense Finance for early payment at a discounted rate, and we will pay discount charges.

(d) Settlement and sale of foreign exchange services: we will engage Hisense Finance to facilitate currency conversion transactions and foreign exchange settlements for international trade payments, and we will pay certain service fees.

(e) Agency services such settlement services for receipt and payment of funds: we will utilize Hisense Finance's settlement services for receipt and payment of funds, and we will pay certain service fees.

The initial term of the Financial Services Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon the mutual consent of both parties.

Reasons for the Transactions

Our Directors consider that the Financial Services Framework Agreement and each categories of transactions thereunder would benefit our Company with reasons set out as follows:

- Hisense Finance is regulated by National Financial Regulatory Administration and complies with the regulations and operation requirements issued by the relevant regulatory authorities in its provision of financial services. Hisense Finance is able to offer financial services that are comparable with, if not better than, major commercial banks in the PRC. For example, interest rates offered by Hisense Finance for deposits of the same type and tenor are comparable to those offered by major commercial banks;

- Additionally, as Hisense Finance has been providing various financial services to us during the Track Record Period, it has developed a deep understanding of our capital structure, business operations, funding needs and cash flow patterns, which facilitates the provision of expedient and efficient services. Therefore, Hisense Finance is well-positioned in providing us with customized financial services; and

- Furthermore, Hisense Finance has advantages over external banks in terms of communication and work efficiency, as well as cost advantages as the internal margin requirements, settlement and sales of foreign exchange spreads and other applicable fees and rates are significantly lower than those of external banks.

Pricing Policies

The transactions contemplated under the Financial Services Framework Agreement are carried out in the ordinary course of business between the parties on normal commercial terms and on terms no less favorable than those available from independent third parties.

Deposit services

Interest rates for the deposits to be placed by us with Hisense Finance will not be lower than the interest rate published by the PBOC for deposits of a similar type for the same period, and benchmarked against (i) the interest rate offered to Independent Third Parties for their deposits of a similar type for the same period placed with Hisense Finance and (ii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to us.

Loan and Electronic Finance Company Acceptance Bill Services

Interest rates for loans (if any) to be provided by Hisense Finance to the Group will not be higher than the interest rate published by the PBOC for loans of a similar type for the same period, and benchmarked against (i) the interest rate offered to Independent Third Parties for loans of a similar type for the same period by Hisense Finance and (ii) the interest rate for loans of a similar type for the same period offered by independent commercial banks to us.

The service fees for the electronic finance company acceptance bill services to be provided by Hisense Finance will not be higher than the service fee for such services of a similar type for the same period offered by independent commercial banks to us.

Draft Discount Services

The discount charges for the draft discount services to be provided by Hisense Finance will not be higher than the discount charges for such services of a similar type for the same period offered by independent commercial banks to us.

Settlement and Sale of Foreign Exchange Services

Hisense Finance shall offer services (including the exchange rates) of a standard no less favorable than those offered by independent commercial banks. The service fees for the settlement and sale of foreign exchange services to be provided by Hisense Finance will not be higher than the service fee for such services of a similar type for the same period offered by independent commercial banks to us.

Agency Services such as Settlement Services for Receipt and Payment of Funds

The service fees for the agency services to be provided by Hisense Finance will not be higher than the service fee for such service of a similar type for the same period offered by independent commercial banks to us.

Historical Amounts

The following table sets forth the historical transaction amounts in respect of financial services provided by Hisense Finance during the Track Record Period:

	For the years ending December 31,		
	2023	**2024**	**2025**
		(RMB in millions)	
a. Deposit services			
Maximum daily closing balance (inclusive of interest)	1,329.81	1,865.54	688.08
b. Loan and electronic finance company acceptance bill services			
Maximum daily closing balance (inclusive of interest and service fees).	1,273.92	2,658.92	2,377.83

	For the years ending December 31,		
	2023	2024	2025
		(RMB in millions)	
c. Draft discount services			
Annual discount amount (inclusive of interest)	–	–	20.46
d. Settlement and sale of foreign exchange services			
Annual amount	800.24	731.41	1,227.52
e. Agency services such as settlement services for receipt and payment of funds			
Annual amount	0.22	0.35	0.51

Annual Caps

The proposed annual caps for each type of transactions under the Financial Services Framework Agreement for each of the three years ending December 31, 2028 are as follows:

	For the years ending December 31,		
	2026	2027	2028
		(RMB in millions)	
a. Deposit services			
Maximum daily closing balance (inclusive of interest)	1,300.00	1,500.00	1,700.00
b. Loan and electronic finance company acceptance bill services			
Maximum daily closing balance (inclusive of interest and service fees)(1)	2,102.00	2,960.00	4,160.00
c. Draft discount services			
Annual discount amount (inclusive of interest)	40.00	40.00	40.00
d. Settlement and sale of foreign exchange services			
Annual amount	1,859.00	2,550.00	3,600.00
e. Agency services such as settlement services for receipt and payment of funds			
Annual amount	0.75	0.90	1.08

Note:

(1) This includes an annual buffer of RMB100 million for loans (inclusive of interests) from Hisense Finance for each of the three years ending December 31, 2028.

Basis of Caps

Deposit Services

The above proposed annual caps for the maximum daily closing balance (inclusive of interest) are determined with reference to the following factors: (i) the historical amounts under the existing deposit services arrangements; (ii) the current and expected future cash flow position of the Company in light of our estimated scale and growth of business operation and funds to be raised after the [**REDACTED**]; and (iii) the assumption that market interest rates on the expected outstanding deposit amount remain stable at current prevailing rates. The maximum daily closing balance (inclusive of interest) for each year is subject to fluctuations in our cash flow position and the proposed annual caps reflect the aggregate of our anticipated maximum daily balance of deposits placed and interest income.

Loan and Electronic Finance Company Acceptance Bill Services

The above proposed annual caps for the maximum daily closing balance (inclusive of interest and service fees) are determined with reference to the following factors: (i) the historical amounts under the existing loan and electronic finance company acceptance bill services; (ii) the expectation that the demand for electronic finance company acceptance bill services would increase in the upcoming years in light of the recent improvement in our financial performance. Specifically, in 2025, the Group's revenue grew by 64.2% whilst cost of sales increased by 59.0%, as compared to 2024; (iii) assuming that the market rates of handling fees remain stable as the current prevailing market rates; and (iv) an annual buffer of RMB100 million for loans (inclusive of interests) from Hisense Finance for each of the three years ending December 31, 2028 and the expectation that the Company would be able to obtain additional external financing from Independent Third Party commercial banks.

Draft Discount Services

The above proposed annual caps for the annual discount amount (inclusive of interest) are determined with reference to the following factors: (i) the historical amounts under the existing draft discount service arrangements; (ii) a reasonable buffer for unforeseen needs of discount services; and (iii) assuming that the market rates of discount charges remain stable as the current prevailing market rates.

Settlement and Sale of Foreign Exchange Services

The above proposed annual caps for the annual amount are determined with reference to the following factors: (i) the historical amounts under the existing settlement and sale of foreign exchange service arrangements, taking into account the recent considerable increase in the Group's revenue and costs of sales in 2025 as compared to 2024; (ii) the expected increase in demand for this service in line with the expected expansion of production facilities in Thailand, which is expected to drive growth in overseas businesses and procurement; and (iii) assuming that the market rates of service fees for such service remain stable at the current prevailing market rates.

Agency Services such as Settlement Services for Receipt and Payment of Funds

The above proposed annual caps for the annual amount are determined with reference to the following factors: (i) the historical amounts under the existing agency service arrangements; (ii) the expected increase in demand for this service in line with an expected expansion of our business scale; and (iii) assuming that the market rates of service fees for such service remain stable as the current prevailing market rates.

Listing Rules Implications

In respect of the transactions under the Financial Services Framework Agreement, in aggregate, as the highest applicable percentage ratio for each of the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

WAIVERS GRANTED BY THE STOCK EXCHANGE

Partially Exempt Continuing Connected Transactions

In relation to all of the above continuing connected transactions (except (i) procurement of goods and related services from Hisense Group Entities under the Business Cooperation Framework Agreement and (ii) the transactions under the Financial Services Framework Agreement (collectively, the "**Non-exempt Continuing Connected Transactions**"), since the highest applicable percentage ratio is expected to be more than 0.1% but less than 5%, the transactions contemplated thereunder are exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules. 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 strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of these transactions, provided that the total values of these transactions for each of the three years ending December 31, 2028 will not exceed the relevant proposed annual caps above.

Non-Exempt Continuing Connected Transactions

In relation to the Non-exempt Continuing Connected Transactions, the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules for each of the three years ending December 31, 2028 are expected to be more than 5% on an annual basis. Accordingly, the continuing connected transactions under these agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement and independent Shareholders' approval requirements will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement and independent Shareholders' approval requirements under Rule 14A.35 and Rule 14A.36 of the Listing Rules in respect of these transactions, provided that the total amount of transactions for each of the three years ending December 31, 2028 will not exceed the relevant proposed annual caps as set out above. The independent non-executive Directors and auditors of our Company will review whether the transactions under the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies under the relevant agreements as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

CONFIRMATION BY DIRECTORS

The Directors (including independent non-executive Directors) are of the view that: (a) the non-exempt continuing connected transactions described above for which waivers are sought have been and will be carried out in the ordinary and usual course of business of our Group and all such transactions will be conducted on normal commercial terms or better which are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (b) the proposed annual caps for such non-exempt continuing connected transactions set out above are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant information and historical figures prepared and provided by our Company relating to the non-exempt continuing connected transactions described above; (ii) obtained confirmations from our Company and the Directors; and (iii) participated in the due diligence and discussions with the management of our Group. Based on the foregoing, the Joint Sponsors are of the view that: (a) the non-exempt continuing connected transactions described above for which waivers are sought have been and will be entered into in the ordinary and usual course of business of our Group and are on normal commercial terms or better which are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (b) the proposed annual caps for such non-exempt continuing connected transactions set out above are fair and reasonable and in the interests of our Company and our Shareholders as a whole.