(A) FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established as a limited liability company under the laws of the PRC on November 6, 2012, and was converted into a joint stock limited company on December 10, 2015. Our Company completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 603659) in November 3, 2017.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●]. Mr. Ng Tung Ching Raphael has been appointed as our agent for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendices IV and V to this document, respectively.

2. Changes in Share Capital of Our Company

On September 12, 2024, the registered capital of our Company decreased from RMB2,137,973,428 to RMB2,137,165,372.

On August 28, 2025, the registered capital of our Company decreased from RMB2,137,165,372 to RMB2,136,399,076.

Save as disclosed above, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Changes in Share Capital of Our Subsidiaries

The following sets forth the changes in the share capital of our subsidiaries within two years immediately preceding the date of this document:

The following of our subsidiaries were incorporated within two years immediately preceding the date of this document:

(i) On August 2, 2024, Putailai NorthAmerica Inc was incorporated in the United States with an authorised share capital of USD100,000;

(ii) On August 6, 2024, Putailai America LLC was incorporated in the United States with an authorised share capital of USD100,000;

(iii) On December 29, 2025, Zichen Malaysia Sdn. Bhd. was established in Malaysia with a registered capital of 20,000 Malaysian Riggit; and

(iv) On November 7, 2025, Jiangsu Changzhou Katop Automation Equipment Co., Ltd. (江蘇常州嘉拓自動化設備有限公司) was established in the PRC with a registered capital of RMB10,000,000.

The following of our subsidiaries were voluntarily deregistered within two years immediately preceding the date of this document:

(i) On January 22, 2025, Dongguan Zhuoyue New Material Technology Co., Ltd. (東莞市卓越新材料科技有限公司) was deregistered; and

(ii) On December 30, 2025, Liyang Katop Automation Technology Co., Ltd. (溧陽嘉拓自動化技術有限公司) was deregistered.

On January 6, 2025, Fujian Liangjingjing New Materials Co., Ltd. (福建亮晶晶新材料有限公司) transferred its capital contribution of RMB1.5 million in Hainan Pujing New Materials Technology Co., Ltd. (海南璞晶新材料科技有限公司), a subsidiary of our Company, representing 30% of the registered capital therein, to our Company.

On June 24, 2025, Shanghai Jayson New Energy Materials Group Co., Ltd. (上海錦源晟新能源材料集團有限公司) ("**Shanghai Jayson**") transferred its capital contribution of RMB20.0 million in Inner Mongolia Jinyuansheng Mining Co., Ltd. (內蒙古錦源晟礦業有限公司) (currently known as Inner Mongolia Pujin Mining Co., Ltd. (內蒙古璞錦礦業有限公司) ("**Inner Mongolia Pujin**")), representing 100% of the registered capital therein, to our Company.

On February 28, 2026, our Company transferred the capital contribution of RMB20.0 million in Inner Mongolia Pujin, representing 100% of the registered capital therein, to Shanghai Jayson.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the [REDACTED]

At the general meeting of the Shareholders held on March 2, 2026, the following resolutions, among other things, were duly passed:

(a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**] of the enlarged share capital of our Company upon completion of the [**REDACTED**] and granting to the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**] of the above number of H Shares to be issued;

(c) subject to the completion of the [**REDACTED**], the Articles of Association has been approved and adopted, which shall only become effective on the Listing Date, and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(d) authorizing our Board and its authorized persons to handle all relevant matters relating to, among other things, the [**REDACTED**], the issue of H Shares and the Listing.

(B) FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

(a) the [**REDACTED**].

2. Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights or industrial property rights which are or may be material in relation to our business.

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
1 . .	PTL	The Company	PRC	7	45630870	January 7, 2031
2 . .	PTL	The Company	PRC	6	45620847	Janaury 7, 2031
3 . .	PTL	The Company	PRC	1	45630861	January 21, 2031
4 . . .	璞泰来 PUTAILAI	The Company	PRC	9	18823850	May 21, 2027

As of the Latest Practicable Date, we had made application for the registration of the following trademarks which we consider to be or may be material to us:

No.	Trademark	Applicant	Place where application is made	Class	Application number	Application date
1 . . .		The Company	Hong Kong	1, 7, 9, 17	307153551	January 8, 2026
2 . . .	璞泰来 PUTAILAI	The Company	Hong Kong	1, 7, 9, 17	307153560	January 8, 2026

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
1 . . .	A stacking table and a stacking apparatus (一種疊片台及疊片設備)	Dongguan Chao Hong Automation Equipment Co., Ltd. (東莞市超鴻自動化設備有限公司)	Invention Patent	ZL202310225929.3	March 10, 2043
2 . . .	A polygonal winding mandrel for a lithium battery winding machine (一種用於鋰電卷繞機的多邊形卷針	Katop Automation	Invention Patent	ZL201810372130.6	April 24, 2038
3 . . .	A suction-type winding mandrel, a winding mechanism, and a winding method (一種吸氣式卷針、卷繞機構及卷繞方法)	Katop Automation	Invention Patent	ZL202111211842.8	October 18, 2041
4 . . .	An L-shaped simultaneous double-sided coating apparatus (一種L型雙面同時塗布裝置)	Katop Automation	Invention Patent	ZL202210216664.6	March 7, 2042
5 . . .	A tab insertion device for stacking equipment and a method thereof (一種疊片設備插片裝置及方法)	Katop Automation	Invention Patent	ZL202210918964.9	August 2, 2042
6 . . .	A dual-station double-sided taping apparatus, a cell winding equipment, a production line, and a taping method (兩位雙面貼膠裝置、電芯卷繞設備、生產線及貼膠方法)	Katop Automation	Invention Patent	ZL202211249377.1	October 12, 2042
7 . . .	An electrolyte injection and aging equipment and a positive-pressure recovery method (一種注液靜置設備及正壓回收方法)	Katop Automation	Invention Patent	ZL202311498576.0	November 13, 2043

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
8 . . .	A drying apparatus (一種烘乾設備)	Guangdong Katop Automation Technology Co., Ltd. (廣東嘉拓自動化技術有限公司)	Utility model patent	ZL202321285895.9	May 24, 2033
9 . . .	A tandem servo valve mechanism (一種串聯式伺服閥機構)	Shenzhen Katop	Invention Patent	ZL202110126731.0	January 29, 2041
10 . .	A method for controlling edge dryness, an air nozzle, and an oven (一種可控邊緣乾燥度的方法、風嘴及烘箱)	Shenzhen Katop	Invention Patent	ZL202110519034.1	May 12, 2041
11 . .	A dry electrode calendering apparatus, a production line, and a method for disassembling and installing a steel belt (一種乾法電極延壓機構、生產線及鋼帶拆卸安裝方法)	Shenzhen Katop	Invention Patent	ZL202411395336.2	October 8, 2042
12 . .	A dry-process dual-steel-belt film-forming apparatus (一種乾法雙鋼帶成膜設備)	Shenzhen Katop	Utility model patent	ZL202222259481.0	August 25, 2032
13 . .	A separator with high adhesion and air permeability and a preparation method thereof (粘結性與透氣性俱佳的隔膜及其製備方法)	Jiangsu Zhuogao and Shenzhen Katop	Invention Patent	ZL202210064002.1	January 20, 2042
14 . .	A separator having reversible thermal shutdown property, a preparation method, and an application thereof (一種具有可逆熱關斷性能的隔膜及其製備方法和應用)	Jiangsu Zhuogao	Invention Patent	ZL202010566549.2	June 19, 2040
15 . .	An adhesive separator and a preparation method thereof (粘結性隔膜及其製備方法)	Jiangsu Zhuogao	Invention Patent	ZL202210559637.9	May 23, 2042
16 . .	A composite current collector, a battery, and an apparatus (一種複合集流體及電池、物體)	Jiangsu Zhuogao	Utility model patent	ZL202022202431.X	September 30, 2030
17 . .	A direct welding structure for a composite current collector and a tab (複合集流體與極耳的直接焊接結構)	Jiangsu Zhuogao	Utility model patent	ZL202222553068.5	September 27, 2032
18 . .	An electrode and a secondary battery comprising the same (極片以及具有該極片的二次電池)	Jiangsu Zhuogao	Utility model patent	ZL202223566292.4	December 30, 2032
19 . .	A coated separator, a preparation method, and an application thereof (一種塗覆隔膜及其製備方法及應用)	Ningde Zhuogao	Invention Patent	ZL202210546423.8	May 20, 2042

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
20 . .	A ceramic separator, a preparation method, and an application thereof (一種陶瓷隔膜及其製備方法及應用)	Ningde Zhuogao	Invention Patent	ZL202210671147.8	June 15, 2042
21 . .	A high-adhesion separator, a preparation method, and an application thereof (一種高粘結性隔膜及其製備方法及應用)	Ningde Zhuogao	Invention Patent	ZL202310272228.5	March 21, 2043
22 . .	A modified ceramic separator, a preparation method, and an application thereof (一種改性陶瓷隔膜及其製備方法及應用)	Ningde Zhuogao	Invention Patent	ZL202310682525.7	June 9, 2043
23 . .	A PMMA-coated separator, a preparation method, and an application thereof (一種PMMA塗覆隔膜及其製備方法及應用)	Ningde Zhuogao	Invention Patent	ZL202411169892.8	August 26, 2044
24 . .	A porous composite separator, a preparation method thereof, and a secondary battery (多孔複合隔膜及其製備方法、二次電池)	Ningde Zhuogao	Invention Patent	ZL202510712329.9	May 30, 2045
25 . .	A battery separator, a preparation method thereof, and a secondary battery (電池隔膜及其製備方法和二次電池)	Ningde Zhuogao	Invention Patent	ZL202510712097.7	May 30, 2045
26 . .	A composite coated separator for a lithium-ion battery and a preparation method thereof (一種鋰離子電池複合塗覆隔膜及其製備方法)	Guangdong Zhuohao New Materials Technology Co., Ltd. (廣東卓高新材料科技有限公司)	Invention Patent	ZL202211578632.7	December 7, 2042
27 . .	A 1,1-difluoroethylene copolymer, a preparation method, and an application thereof (一種1,1-二氟乙烯共聚物及其製備方法與應用)	Ruyuan Fluorine Resin	Invention Patent	ZL202210963670.8	August 11, 2042
28 . .	A current collector, a preparation method, and an application thereof (一種集流體及其製備方法和應用)	Liyang Zichen New Materials Technology Co., Ltd. (溧陽紫宸新材料科技有限公司) ("Liyang Zichen")	Invention Patent	ZL202110864853.X	July 29, 2041
29 . .	An organic porous framework anode, a preparation method thereof, and a battery (一種有機多孔骨架負極、其製備方法和電池)	Liyang Zichen	Invention Patent	ZL202110866883.4	July 29, 2041

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
30 . .	A negative electrode structure, a preparation method thereof, and a solid-state battery (一種負極結構、其製備方法以及固態電池)	Liyang Zichen	Invention Patent	ZL202110866695.1	July 29, 2041
31 . .	A lithium metal anode, a preparation method, and an application thereof (一種鋰金屬負極及其製備方法與應用)	Liyang Zichen	Invention Patent	ZL202210997445.6	August 19, 2042
32 . .	A composite graphite material, a preparation method, and an application thereof (一種複合石墨材料及其製備方法與應用)	Liyang Zichen	Invention Patent	ZL202310193978.3	March 3, 2043
33 . .	A composite carbon material, a preparation method, and an application thereof (一種複合碳材料及其製備方法和應用)	Liyang Zichen	Invention Patent	ZL202410592955.4	May 14, 2044
34 . .	A negative electrode material, a preparation method thereof, and a secondary battery (一種負極材料及其製備方法和二次電池)	Liyang Zichen; Jiangxi Zichen	Invention Patent	ZL202410362923.5	March 28, 2044
35 . .	A graphite negative electrode material, a preparation method, and an application thereof (一種石墨負極材料及其製備方法和應用)	Jiangxi Zichen	Invention Patent	ZL202210920297.8	August 2, 2042
36 . .	A porous carbon, a silicon-carbon negative electrode material, an electrode, a lithium-ion battery, and a power-consuming device (一種多孔碳、矽碳負極材料、電極片、鋰離子電池和用電器)	Jiangxi Zichen	Invention Patent	ZL202411381145.0	September 30, 2044
37 . .	A silicon-carbon negative electrode material, a preparation method thereof, a negative electrode, and a lithium-ion battery (一種矽碳負極材料及其製備方法、負極片和鋰離子電池)	Sichuan Zichen	Invention Patent	ZL202411723774.7	November 28, 2044

(c) Copyrights

As of the Latest Practicable Date, we had registered the following computer software copyrights which we consider to be material to our Group's business:

No.	Copyright	Registered Owner	Registration Number	Registration Date
1 . .	Fully Automatic Horizontal High-Speed Isostatic Injection System V1.0 (全自動臥式高速等壓注液機系統V1.0)	Katop Automation	2025SR1382547	July 29, 2025
2 . . .	Fully Automatic Cylindrical Battery Isostatic Filling System for V1.0 (圓柱電池全自動等壓注液機系統V1.0)	Katop Automation	2025SR1377072	July 28, 2025
3 . . .	Fully Automatic Thermal Laminated Lithium Battery Winding Machine (全自動熱複合鋰電池捲繞機)	Katop Automation	2025SR1530612	August 14, 2025
4 . . .	Fully Automatic Blade-Type Battery Isobaric Filling System (全自動刀片電池等壓注液機系統)	Katop Automation	2025SR1670244	September 1, 2025
5 . . .	High-Speed Roller Compactor Program V1.0 (高速輥壓機程序V1.0)	Shenzhen Katop	2025SR0017186	January 3, 2025
6 . . .	Precision Printing Primer Coater Program (Omron PSL System) V1.0 (精密印刷底塗機塗布機程序(歐姆龍PSL系統)V1.0)	Shenzhen Katop	2025SR0017203	January 3, 2025
7 . . .	High-Speed Diaphragm Slitting Machine Program V1.0 (高速隔膜分切機程序V1.0)	Shenzhen Katop	2025SR0017211	January 3, 2025
8 . . .	High-Speed Coating Control System (Omron) V1.4 (高速塗布控制系統(歐姆龍)V1.4)	Shenzhen Katop	2025SR0025455	January 6, 2025
9 . . .	Helium Leak Detector Control System (Omron) V1.0 (氦檢機控制系統(歐姆龍)V1.0)	Shenzhen Katop	2025SR0026073	January 6, 2025
10 . .	Roll Compaction and Slitting Integrated Machine Control System V1.1 (輥壓分切一體機控制系統 V1.1)	Shenzhen Katop	2025SR0026113	January 6, 2025
11 . .	Double-Sided Simultaneous Drying Primer Machine Program (Inovance System) V1.0 (雙面同時烘乾底塗機程序(匯川系統)V1.0)	Shenzhen Katop	2025SR0044508	January 8, 2025
12 . .	Copper and Aluminum Foil Spot Coating Machine Program V1.0 (銅鋁箔跳塗機程序V1.0)	Shenzhen Katop	2025SR0044844	January 8, 2025
13 . .	Dry Coating Control System (Omron 1500 Series) V1.0 (幹法擠壓塗布控制系統(歐姆龍1500系 列)V1.0)	Shenzhen Katop	2025SR0063567	January 10, 2025

No.	Copyright	Registered Owner	Registration Number	Registration Date
14 . .	Composite Control System V1.0 (複合控制系統V1.0)	Shenzhen Katop	2025SR0064315	January 10, 2025
15 . .	Film Drawing Line SCADA Software (拉膜線SCADA軟件)	Shenzhen Katop	2025SR0225598	February 8, 2025
16 . .	Equipment Alarm Monitoring and Data Acquisition Software (設備報警監控採集軟件)	Shenzhen Katop	2025SR0225619	February 8, 2025
17 . .	Equipment Process Parameter Monitoring and Acquisition Software (設備過程參數監控採集軟件)	Shenzhen Katop	2025SR0225624	February 8, 2025
18 . .	KTMES Host WEB System V1.0 (KTMES上位機WEB系統V1.0)	Shenzhen Katop	2025SR0508487	March 24, 2025
19 . .	Carburizing Workshop SCADA Software V1.0 (碳化車間Scada軟件V1.0)	Shenzhen Katop	2025SR0508492	March 24, 2025
20 . .	Equipment Energy Consumption Monitoring and Data Acquisition Software V1.0 (設備能耗監控採集軟件V1.0)	Shenzhen Katop	2025SR0508510	March 24, 2025

(d) Domain Names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Approval Date
1 . .	Putailai.com	The Company	August 23, 2024
2 . .	Jxzichen.com	Jiangxi Zichen	December 2, 2025
3 . .	zichen.com.cn	Sichuan Zichen	August 12, 2025
4 . .	katopauto.com	Jiangsu Katop Automation Co., Ltd. (江蘇嘉拓新能源智能裝備股份有限公司)	September 22, 2023

(C) FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

Each of the Directors [has entered into] a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and under "Accountants' Report — Notes to the Historical Financial Information — 10. Directors' and Chief Executive's Remuneration" in Appendix I to this document, no Director received other remuneration or benefits in kind from our Company in respect of each of the years ended December 31, 2023, 2024 and 2025.

3. Disclosure of Interests

Interests of our Directors or chief executive

Save as disclosed below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(a) Interests in our Company

			A Shares held as of the Latest Practicable Date		A Shares held following the completion of the [REDACTED][1]		
Name of Director	**Name of associated corporation**	**Nature of interest**	**Number**	**Approximate percentage of issued Shares**	**Number**	**Approximate percentage of issued A Shares**	**Approximate percentage of total issued Shares**
				(%)		*(%)*	*(%)*
Mr. Liang[2] . .	Our Company	Beneficial owner, interest in controlled corporations and interest held jointly with other persons	961,571,752	45.01	961,571,752	45.01	[**REDACTED**]
Mr. Chen Wei (陳衛)	Our Company	Beneficial owner	176,698,100	8.27	176,698,100	8.27	[**REDACTED**]
Mr. Han Zhongwei (韓鐘偉) . . .	Our Company	Beneficial owner	10,873,988	0.51	10,873,988	0.51	[**REDACTED**]

Notes:

(1) The calculations are made assuming the [**REDACTED**] is not exercised.

(2) See "Substantial Shareholders" for further details.

(b) Interest in associated corporations

Name	Position in our Group	Nature of Interest	Name of associated corporation	Approximate percentage of shareholding in associated corporation
Mr. Chen Wei (陳衛)	Executive Director and the general manager of our Company	Beneficial owner and interest in a controlled corporation *Note*	Katop Automation	3.68%
Mr. Han Zhongwei (韓鐘偉)	Executive Director and the executive vice general manager of our Company	Beneficial owner	Katop Automation	0.28%

Note: As of the Latest Practicable Date, Mr. Chen Wei is a direct beneficial owner of 7,000,000 shares of Katop Automation and is deemed to be interested in a total of 6,000,000 shares of Katop Automation held by Ningbo Jingyuan Venture Capital Partnership Enterprise (Limited Partnership) (寧波靜原創業投資合夥企業(有限合夥)), in which Mr. Chen Wei is both the executive partner and a limited partner holding 50% of the partnership interest.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [**REDACTED**], has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Interests and Short Positions Disclosable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Directors or chief executive, who immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, see "Substantial Shareholders."

Interests of substantial shareholders in members of our Group (excluding our Company)

As of the Latest Practicable Date, to the best knowledge of our Directors, the following persons (other than members of our Group) were interested in 10% or more of the voting rights at general meetings of our subsidiaries:

Name of subsidiary	Name of substantial shareholder	Approximate percentage of shareholding
		(%)
Jilin Zichen Technology Co., Ltd. (吉林紫宸科技有限公司)	Li Wei (李偉)	14.40
	Qiu Tingju (邱庭舉)	10.60
Ruyuan Fluorine Resin	Ruyuan Dongyangguang Fluorine Co., Ltd. (乳源東陽光氟有限公司)	40.00

(D) SHARE INCENTIVE SCHEME

1. 2025 Share Option Incentive Scheme

The following is a summary of the principal terms of the 2025 Share Option Incentive Scheme adopted by the Board on March 25, 2025. The terms of the 2025 Share Option Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of new options by our Company after the Listing.

(a) Purpose

The main purposes of the 2025 Share Option Incentive Scheme are to optimize the governance structure of our Group, establish and improve the long-term incentive mechanism of our Company, attract and retain senior management and core employees of our Company, mobilizes their enthusiasm and creativity, effectively align the interests of Shareholders, our Company and our core team members, thereby ensuring the focus on our long-term development and ensuring the achievement of the development strategy and business objectives of our Company.

(b) Administration

The Shareholders' meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the 2025 Share Option Incentive Scheme. The Shareholders' meeting may, within its powers and authorities, authorize the Board to handle certain matters relating to the 2025 Share Option Incentive Scheme.

The Board shall act as the executive and administrative body for the 2025 Share Option Incentive Scheme and be responsible for the implementation of the 2025 Share Option Incentive Scheme. The Audit Committee shall be responsible for drafting and revising the 2025 Share Option Incentive Scheme, and submitting it to the Board for consideration and approval. Upon approval by the Board, the 2025 Share Option Incentive Scheme shall be further submitted to the Shareholders' meeting for review. The Board may handle other matters relating to the 2025 Share Option Incentive Scheme within its scope of authority as delegated by the Shareholders' meeting.

The board of supervisors of the Company (which has been cancelled with its functions being undertaken by the Audit Committee) is the oversight body for the 2025 Share Option Incentive Scheme and shall express opinions on whether this scheme is conducive to our Company's sustainable development and whether there are any circumstances that clearly impair the interests of the Company and all of the Shareholders. The Audit Committee shall supervise whether the implementation of the 2025 Share Option Incentive Scheme complies with relevant laws, regulations, normative documents and stock exchange business rules, and is responsible for reviewing the list of Participants. Independent non-executive Directors shall solicit proxy votes from all Shareholders regarding the scheme.

Where the Company revises this scheme before the consideration and approval at the general meeting, the Audit Committee shall express opinions on whether the revised 2025 Share Option Incentive Scheme facilitates the sustainable development of the Company and whether the revised scheme impairs the interests of the Company and the Shareholders as a whole.

Before the exercise of the entitlements by the Participants, the Audit Committee shall express clear opinions on whether the conditions for the Participants to exercise their rights have been met.

(c) Eligible Participants

Subject to applicable laws and regulations and the Articles of Association, the eligible participants of the 2025 Share Option Incentive Scheme include our Group's directors, senior management and core employees. Eligible participants shall exclude independent Directors, supervisors, shareholders who individually or collectively hold 5% or more of the Shares and actual controllers of our Company, and their respective spouses, parents and children.

(d) Source and maximum number of Shares

The Shares underlying the 2025 Share Option Incentive Scheme are A Shares to be issued by our Company to the selected participants. The total number of Shares that may be issued pursuant to the 2025 Share Option Incentive Scheme is no more than 32,000,000 Shares underlying 32,000,000 Options.

Upon implementation of the 2025 Share Option Incentive Scheme, the aggregate number of Shares subject to all share incentive schemes adopted by the Company in effect shall not exceed 10% of the Company's total share capital. No individual shall receive Shares under all share incentive schemes adopted by the Company that collectively exceed 1% of the Company's total share capital.

(e) Timing of grant of Options

The date on which the options under the initial batch are granted shall be a trading day determined by the Board within 60 days after the date of approval of the 2025 Share Option Incentive Scheme by the Shareholders' meeting. The grant of Options or restricted shares shall be approved by the Board, registered and announced within 60 days after the approval of the 2025 Share Option Incentive Scheme by the Shareholders' meeting. The Options under the reserve batch shall be granted within 12 months after the date of approval of the 2025 Share Option Incentive Scheme by the Shareholders' meeting.

(f) Conditions to the grant of Options

The Options under the 2025 Share Option Incentive Scheme will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company's accountants' report for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to the internal control report contained in accountants report for the most recent fiscal year;

(3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

(4) the applicable laws and regulations prohibit the implementation of any share incentive arrangement; or

(5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

(3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material breach of laws and regulations within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any share incentive arrangement of listed companies according to applicable laws and regulations; or

(6) any other circumstances determined by the CSRC.

(g) Exercise of Options

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (f) above are fulfilled at the time of exercise of Options; and (ii) the annual assessment and performance targets as set out under the 2025 Share Option Incentive Scheme are achieved.

The exercise price for the Options granted under the 2025 Share Option Incentive Scheme is RMB15.43 per option, which is a price no less than 80% of the A Share trading price of the Company of the one trading day prior to the announcement of the 2025 Share Option Incentive Scheme.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, Options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

The number of Options granted and the exercise prices will be adjusted upon the occurrence of certain events, including but not limited to increase in the share capital by way of capitalization of capital reserves, issue of bonus Shares, subdivision of Shares and issue of new Shares.

The Options granted are exercisable in three tranches of 34%, 33% and 33% in each of the three exercise periods that occur between the first trading day after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

The exercise of the Options granted under the 2025 Share Option Incentive Scheme shall be on a trading day, which shall not fall within the following periods: (i) 15 days before the publication of annual report and interim report; (ii) 5 days before the publication of quarterly report, earnings forecast and preliminary earnings estimate; (iii) the period starting from the date of occurrence of any significant price-sensitive event on the trading of our Shares and derivatives or the decision-making process in respect of such event until the date of announcement of such event; and (iv) any other period stipulated by the CSRC and the Shanghai Stock Exchange.

(h) Lock-up

If the grantee is a Director or a senior management of our Company, the Shares to be transferred each year shall not exceed 25% of the total Shares he/she holds during the term of his/her employment, and no share held by such Director or senior management can be transferred within six months after cessation of appointment.

If the grantee is a Director or senior management of our Company, income gained through the sale of Shares within six months of the purchase, or purchase of Shares within six months of the sale, shall belong to our Company and will be forfeited by the Board.

If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(i) Outstanding Options

On June 3, 2025, all Options under the initial batch were granted to a total of 262 selected participants at the exercise price of RMB15.43 per Share. On June 13, 2025, the exercise price was adjusted to RMB15.26 per Share as a result of completion of the cash dividend (RMB1.7 per ten Shares) distribution on the same day.

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the 2025 Share Option Incentive Scheme amounted to 28,480,900 A Shares, representing [**REDACTED**] of the issued Shares immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing). As of the Latest Practicable Date, the outstanding options were held by [one] Director and [five] members of senior management of our Company and [256] grantees who are employees of our Company and are not Directors, members of the senior management or connected persons of our Company. If all outstanding options granted under the 2025 Share Option Incentive Scheme are exercised, assuming the [**REDACTED**] is not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing, the issued and outstanding shareholding of the Shareholders immediately following completion of the [**REDACTED**] will be diluted by [**REDACTED**]. The dilution effect on our earnings per Share would be [**REDACTED**].

The table below sets forth the details of options granted to Directors, members of senior management or connected persons of our Company under 2025 Share Option Incentive Scheme as of the Latest Practicable Date:

Name	Position in our Group	Address	Date of grant	Exercise price	Exercise period	Number of A Shares underlying outstanding options	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED][Note]
				(RMB)			
Mr. Han Zhongwei (韓鐘偉) .	Executive Director and executive vice general manager	No. 225, Lane 4288, Longdong Avenue, Pudong New Area, Shanghai, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	1,000,000	[REDACTED]%

Name	Position in our Group	Address	Date of grant	Exercise price	Exercise period	Number of A Shares underlying outstanding options	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED]Note
				(RMB)			
Mr. Wang Xiaoming (王曉明) . .	Vice general manager	Room 3A, Block 8, Vitality Kangcheng, No. 3 Jinfeng Road, Nancheng District, Dongguan City, Guangdong Province, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	1,300,000	[REDACTED]%
Ms. Liu Fang (劉芳) . . .	Vice general manager	Room 402, No. 11, Lane 708, Lingshan Road, Pudong New Area, Shanghai, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	1,000,000	[REDACTED]%
Mr. Liu Yongbiao (劉勇標) . .	Vice general manager	No. 105, Lianning Road, Lianfeng Town, Liancheng County, Fujian Province, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	1,000,000	[REDACTED]%
Mr. Xiong Gaoquan (熊高權) . .	Chief financial officer	Room 602, No. 64, Lane 458, Xiangchuan Road, Chuansha New Town, Pudong New Area, Shanghai, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	450,000	[REDACTED]%
Mr. Zhang Xiaoquan (張小全) . .	Secretary to the Board and joint company secretary	Room 301, No. 127, Lane 508, Linglan Road, Pudong New Area, Shanghai, PRC	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	450,000	[REDACTED]%

Note: Assuming no [**REDACTED**] is exercised.

The table below sets forth the details of the options granted to the grantees (who are not our Directors, members of our senior management or connected persons of our Company) under the 2025 Share Option Incentive Scheme, categorized by the number of underlying A Shares, which were outstanding as of the Latest Practicable Date:

Category by number of underlying A Shares	Number of grantee	Date of grant	Exercise price	Exercise period	Number of A Shares underlying outstanding options	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED]Note
			(RMB)			
1 to 5,000	1	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	1,000	[REDACTED]%*
5,001 to 50,000	93	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	3,066,600	[REDACTED]%
50,001 to 5,000,000. .	162	June 3, 2025	15.26	April 10, 2026 to April 10, 2028	20,213,300	[REDACTED]%

Note: Assuming no [**REDACTED**] is exercised.

* This denotes less than 0.005% of the total issued Shares immediately after the [**REDACTED**].

(E) OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, the H Shares of our Company. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letters entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor an aggregate fee of US$400,000 to act as the sponsor of our Company in connection with the proposed Listing on the Stock Exchange.

4. Consent of Experts

The qualification of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
King & Wood	Legal advisor to our Company as to PRC laws
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the law of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
CIC	An independent professional market research and consulting company

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Promoters

Information of our promoters at the time of the Company's conversion into a joint stock limited company in December 2015 is as follows:

No.	Name
1.	Mr. Liang
2.	Ningbo Shengyue
3.	Ningbo Kuoneng
4.	Mr. Chen Wei
5.	Shanghai Kuoyong Enterprise Management Co., Ltd. (上海闊甬投資管理有限公司) (then known as Shanghai Peixuan Enterprise Management Co., Ltd. (上海裴宣企業管理有限公司) and deregistered on March 9, 2022)

No.	Name
6. . .	Wuhu Jiahui Investment Management Co., Ltd. (蕪湖佳輝投資管理有限公司) (currently known as Shanghai Baigen Trading Co., Ltd. (上海柏亘貿易有限公司))
7. . .	Mr. Qi Xiaodong (齊曉東)
8. . .	Shanghai Fuyushan Enterprise Management Co., Ltd. (上海符禺山投資管理有限公司) (currently known as Duilong Deqing Fuyushan Enterprise Management Co., Ltd. (堆龍德慶符禺山企業管理有限公司))
9. . .	Dongguan Electronic Technology Co., Ltd. (東莞市卓好電子科技有限公司) (then known as Qushui Zhuohao Electronic Technology Co., Ltd. (曲水卓好電子科技有限公司) and deregistered on May 8, 2014)
10. .	Mr. Feng Suning (馮蘇寧)
11. .	Mr. Han Zhongwei (韓鐘偉)
12. .	Ms. Liu Fang (劉芳)
13. .	Mr. Zhang Zhiqing (張志清)
14. .	Mr. Wang Xiaoming (王曉明)
15. .	Mr. Liu Yongbiao (劉勇標)

Within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [**REDACTED**] and the related transactions described in this document.

7. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

8. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

9. Compliance Advisor

Our Company has appointed Changjiang Corporate Finance (HK) Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Listing Rules.

10. No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, and up to the date of this document.

11. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

12. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in "Accountants' Report — 45. Related Party Transactions" in Appendix I to this document.

13. Miscellaneous

Save as disclosed in this document:

(i) within the two years immediately preceding the date of this document:

(a) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(b) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

(c) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(d) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(iv) our Company has no outstanding convertible debt securities or debentures;

(v) there is no arrangement under which future dividends are waived or agreed to be waived;

(vi) save for the A Shares of our Company that are listed on the Shanghai Stock Exchange, and save for the H Shares to be issued in connection with the [**REDACTED**], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(vii) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.