CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between our Group and our connected persons will constitute one-off or continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

Our Company has entered into agreements with the following connected persons:

Name of our connected persons	Connected Relationship
Gloyel Electronic (Ningbo) Co., Ltd. (高悅電氣(寧波)有限公司) ("Gloyel Electric", together with its subsidiaries, "Gloyel Electric Group")	As of the Latest Practicable Date, Gloyel Electric was wholly owned by Mr. Wu, our executive Director and a member of our Controlling Shareholders Group. Therefore, Gloyel Electric is an associate of Mr. Wu and therefore a connected person of our Company.
Ninghai Xidian Qingqing Plastic Factory (寧海縣西店清清塑料廠) ("Qingqing Plastic")	As of the Latest Practicable Date, Qingqing Plastic was wholly owned by Ms. WU Yasai (吳亞賽), the sister of Mr. WU Weifeng (吳偉鋒), our executive Director. Accordingly, Qingqing Plastic is an associate of Mr. WU Weifeng and therefore a connected person of our Company.
Ninghai Jinxin Packaging Co., Ltd. (寧海縣錦新包裝有限公司, "Jinxin Packaging")	As of the Latest Practicable Date, Jinxin Packaging was owned as to 50% and 50% by Ms. WU Xincai (鄔新彩), sister of Mr. Wu, and Mr. HU Runze (胡潤澤), nephew of Mr. Wu, respectively. Accordingly, Jinxin Packaging is an associate of Mr. Wu and therefore a connected person of our Company.
Ningbo Jinsuoer Automotive Technology Co., Ltd. (寧波金索爾汽車科技有限公司, "Jinsuoer Automotive")	As of the Latest Practicable Date, Jinsuoer Automotive was wholly owned by Ms. XU Saiqing (徐賽青), the niece of Mr. Wu. Accordingly, Jinsuoer Automotive is an associate of Mr. Wu and therefore a connected person of our Company.
Ninghai Saipu Rubber and Plastic Parts Factory (寧海縣賽普橡塑部件廠, "Ninghai Saipu")	As of the Latest Practicable Date, Ninghai Saipu was wholly owned by Ms. XU Saidi (徐賽娣), the niece of Mr. Wu. Accordingly, Ninghai Saipu is an associate of Mr. Wu and therefore a connected person of our Company.
Ningbo Qianhui Automobile Molding Co., Ltd. (寧波千匯汽車飾件有限公司, "Ningbo Qianhui")	As of the Latest Practicable Date, Ningbo Qianhui was a non-wholly owned subsidiary of our Company, in which associates of Mr. Wu controlled 49% interest. Accordingly, Ningbo Qianhui constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules.

ONE-OFF CONNECTED TRANSACTION

Our Group has entered into a property lease agreement dated December 31, 2025 (the "Lease Agreement") with Gloyel Electric, pursuant to which Gloyel Electric agreed to lease to us certain premise used in Ningbo, Zhejiang Province, PRC with a total gross floor area of 20,395 sq.m. for a term of one year commencing from January 1, 2026 at an aggregate annual rent of RMB4.06 million, for business operations. The rent was determined by the parties at arm's length negotiations with reference to the prevailing market rent of comparable properties.

We believe that the leasing arrangements prescribed under the Lease Agreement will enable us to leverage the property resources held by Gloyel Electric to satisfy our own operational need and to ensure the smooth operation of our Group, which is in the interests of our Group and our Shareholders as a whole.

In accordance with IFRS 16 "Leases", the lease under the Lease Agreement is recognized as right-of-use assets on our consolidated statements of financial position. Therefore, entering into the Lease Agreement will be regarded as the acquisition of capital assets and a one-off connected transaction, rather than a continuing connected transaction.

Accordingly, the annual reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules will not be applicable.

OUR CONNECTED TRANSACTIONS

We entered into the following transactions with the above-mentioned connected persons that will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules upon [REDACTED]:

	Nature of Transaction	Counterparty	Applicable Listing Rules	Waiver Sought	Proposed Annual Caps for the year ending December 31, 2026	2027	2028
					RMB in millions		
	Fully-exempt continuing connected transactions						
1.	Lease of properties with Gloyel Electric Group	Gloyel Electric Group	14A.34, 14A.76(1)	N/A	N/A	N/A	N/A
2.	Arrangement on payment of utility fees with Gloyel Electric Group	Gloyel Electric Group	14A.98	N/A	N/A	N/A	N/A
3	Procurement of products from Qingqing Plastic	Qingqing Plastic	14A.34, 14A.76(1)	N/A	N/A	N/A	N/A
	Non-exempt continuing connected transactions (subject to annual reporting, announcement and annual review requirements)						
1.	Procurement of products and services	Jinxin Packaging/ Jinsuoer Automotive/ Ninghai Saipu/ Gloyel Electric	14A.35, 14A.49, 14A.55, 14A.56, 14A.71, 14A.105	Requirement as to announcement	310.2	346.0	366.5
2.	Procurement of products from Ningbo Qianhui	Ningbo Qianhui	14A.35, 14A.49, 14A.55, 14A.56, 14A.71, 14A.105	Requirement as to announcement	80.0	90.0	95.0

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Lease of properties to Gloyel Electric Group

On [•], 2026, our Company (for itself and on behalf of its subsidiaries) entered into a property leasing framework agreement (the "Property Leasing Framework Agreement") with Gloyel Electric (for itself and on behalf of its associates), pursuant to which our Group agreed to lease certain premises to Gloyel Electric Group for its business operation.

The initial term of the Property Leasing Framework Agreement will commence on the [REDACTED] and end on December 31, 2028, subject to renewal through mutual consent by the parties and compliance with all applicable laws, regulations and the Listing Rules.

The parties have entered into and will continue to enter into separate agreements setting out the specific terms and conditions (including the specific properties leased, agreed rental rates, payment methods and other details) in respect of the relevant leasing arrangements based on the principles as agreed under the Property Leasing Framework Agreement.

The rent payable to us by Gloyel Electric Group under the Property Leasing Framework Agreement shall be determined after arm's length negotiation with reference to, among others, term of the lease, size and location of the leased premises as well as the market rates charged by lessors who are Independent Third Parties for lease of comparable properties in similar locations.

In respect of the transactions under the Property Leasing Framework Agreement, as the highest applicable percentage ratio (other than profits ratio) is expected to be less than 0.1% on an annual basis, such transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Arrangement on payment of utility fees with Gloyel Electric Group

In connection with the Lease Agreement and the Property Leasing Framework Agreement, as there is no independent electricity meter installed for the relevant premises, (i) in addition to the rent payable by our Company under the Lease Agreement, we also need to pay to Gloyel Electric the utility fees incurred in connection with our operation at the relevant premises, and (ii) in addition to the rent payable to our Company by Gloyel Electric Group under the Property Leasing Framework Agreement, Gloyel Electric Group also needs to pay to our Company the utility fees incurred in connection with their operation at the relevant premises, both on a monthly basis during the relevant rental period. Such utility fees payable by us to Gloyel Electric and to us by Gloyel Electric Group will be determined on a cost basis.

Such arrangement on payment of the utility fees under the Lease Agreement and the Property Leasing Framework Agreement, respectively, constitutes the sharing of administrative services on a cost basis under Rule 14A.98 of the Listing Rules, and the costs are identifiable and can be allocated to the parties on a fair and equitable basis. Therefore, such transaction will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Procurement of products from Qingqing Plastic

On [•], 2026, our Company (for itself and on behalf of its subsidiaries) entered into a procurement framework agreement with Qingqing Plastic (for itself and on behalf of its associates) (the "Qingqing Plastic Procurement Framework Agreement"), pursuant to which our Group will procure outsourced parts and plastic packaging materials from Qingqing Plastic. The initial term of the Qingqing Plastic Procurement Framework Agreement will commence on the [REDACTED] and end on December 31, 2028, subject to renewal through mutual consent by the parties and compliance with all applicable laws, regulations and the Listing Rules. The parties will enter into separate agreements setting out the specific terms and conditions (including the precise scope of products, fee calculation, payment methods and other details) in respect of the relevant material procurement arrangements based on the principles as agreed under the Qingqing Plastic Procurement Framework Agreement. The fees payable by us to Qingqing Plastic under the Qingqing Plastic Procurement Framework Agreement shall be determined based on the prevailing market rate, while also making references to factors including market conditions, raw material price fluctuations, exchange rate changes and production capabilities. The terms under the Qingqing Plastic Procurement Framework Agreement shall not be less favorable than the terms available to our Group for the procurement of same or comparable products from Independent Third Parties (to the extent available) taking into account the quantity and quality of the products as well as other transaction terms such as payment terms.

In respect of the transactions under the Qingqing Plastic Procurement Framework Agreement, as the highest applicable percentage ratio (other than profits ratio) is expected to be less than 0.1% on an annual basis, such transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

4. Procurement of products and services

Principal terms

On [•], 2026, our Company (for itself and on behalf of its subsidiaries) entered into four product and service (as applicable) procurement framework agreements (the "Product and Service Procurement Framework Agreements") with each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (for each of themselves and on behalf of each of their associates, respectively), pursuant to which:

(i) our Group will procure products from Jinxin Packaging, including but not limited to packaging materials;

(ii) our Group will procure products from Jinsuoer Automotive, including but not limited to outsourced parts (both metal and non-metal);

(iii) our Group will procure products from Ninghai Saipu, including but not limited to outsourced parts (both metal and non-metal); and

(iv) our Group will procure products and services from Gloyel Electric (and/or its associates), including but not limited to outsourced parts (both metal and non-metal), electric motors, non-standard equipment and electricity supply.

The initial term of each of the Product and Service Procurement Framework Agreements will commence on the [REDACTED] and end on December 31, 2028, subject to renewal through mutual consent by the parties and compliance with all applicable laws, regulations and the Listing Rules.

The parties will enter into separate agreements setting out the specific terms and conditions (including the precise scope of products and services (as applicable), fee calculation, payment methods and other details) in respect of the relevant products and services procurement arrangements based on the principles under each of the Product and Service Procurement Framework Agreements.

Reasons for and benefits of the transaction

Our Group has a long-term and stable business cooperation with each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates), which provide the products and services (as applicable) we may require in the process of our productions and operations from time to time. In our ordinary and usual course of business, our Group has been procuring the relevant products and services from each of these counterparties, specifically: (i) packaging materials from Jinxin Packaging; (ii) metal and non-metal outsourced parts from Jinsuoer Automotive; (iii) metal and non-metal outsourced parts from Ninghai Saipu; and (iv) metal and non-metal outsourced parts, electric motors, non-standard equipment (such as modified production line, testing equipment, etc.) and ancillary services, as well as electricity supply services from Gloyel Electric (and/or its associates).

In particular, (i) the packaging materials provided by Jinxin Packaging, as well as the outsourced parts provided by each of Jinsuoer Automotive, Ningbo Saipu and Gloyel Electric (and/or its associates) are used in our manufacturing processes and are integral to our production activities; (ii) the customized non-standard equipment provided by Gloyel Electric (and/or its associates) are tailored to our specific manufacturing requirements of relevant products, while they also provide ancillary services such as equipment design and manufacturing, installation, commissioning and after-sales maintenance; and (iii) the electricity supply service provided by Gloyel Electric (and/or its associates) offers us stable supply of electricity from close proximity to our production facilities at an equal or discounted rate compared with market price. Considering the above, their familiarity with our production processes, quality standards and operational requirements enables them to deliver equipment and services that are well-suited to our production needs, and therefore our Directors believe that maintaining a stable and quality business relationship with each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates) will facilitate our business operations and growth.

Pricing policies

The fees payable by us to each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates) under each of the Product and Service Procurement Framework Agreements shall be determined through arm's length negotiation between the parties with reference to the prevailing market rates. The specific pricing terms vary depending on the nature of the products and services procured:

(i) for the procurement of outsourced parts, packaging materials and electric motors, the prices shall be determined based on the prevailing market rate, while also making references to factors including market conditions, raw material price fluctuations, exchange rate changes and production capabilities;

(ii) for the procurement of non-standard equipment from Gloyel Electric (and/or its associates), the contract price shall be determined based on the prevailing market rate, while also making reference to equipment configurations, complexity of the technical specifications and the scope of ancillary services; and

(iii) for the procurement of electricity supply from Gloyel Electric (and/or its associates), the fee rate shall be determined based on the prevailing market rate of local electricity supplies considering discounts (as applicable) as separately agreed for each electricity supply project through arm's length negotiation between the parties.

The terms under each of the Product and Service Procurement Framework Agreements shall not be less favourable than the terms available to our Group for the procurement of same or comparable products and services from Independent Third Parties (to the extent available) taking into account the quantity and quality of the products and services as well as other transaction terms such as payment terms.

When we procure such products and services in our ordinary and usual course of business, we select suppliers and determine the relevant terms of procurement through arms' length negotiation based on the types and scale of procurement. We select the most suitable suppliers available for selection, which comprise our connected persons and other Independent Third Parties, taking into account the pricing terms, product and service quantity and quality, payment terms and other factors. Each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates), like other Independent Third Parties, will need to go through our internal selection and approval procedures in order to become our suppliers under each of the Product and Service Procurement Framework Agreements.

Historical amounts

The transaction amounts paid or payable by us to each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates) in respect of the procurement of the above products and services for the years ended December 31, 2023, 2024 and 2025 were as follows:

	For the years ended December 31,		
	2023	**2024**	**2025**
	(RMB in millions)		
Procurement of packaging materials from Jinxin Packaging	18.0	17.1	16.8
Procurement of outsourced parts (both metal and non-metal) from Jinsuoer Automotive	17.2	14.7	8.9
Procurement of outsourced parts (both metal and non-metal) from Ninghai Saipu	4.3	4.6	7.4
Procurement of outsourced parts (both metal and non-metal), electric motors, non-standard equipment and electricity supply from Gloyel Electric (and/or its associates)	80.2	207.5	212.0
Subtotal	**119.6**	**243.9**	**245.0**

Annual caps and basis of determination

The following tables sets forth the proposed annual caps of the transaction amounts payable by us to each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates) under each of the Product and Service Procurement Framework Agreements for each of the years ending December 31, 2026, 2027 and 2028:

	For the years ending December 31,		
	2026	**2027**	**2028**
	(RMB in millions)		
Procurement of packaging materials from Jinxin Packaging	18.0	19.0	20.0
Procurement of outsourced parts (both metal and non-metal) from Jinsuoer Automotive	10.0	11.0	12.0
Procurement of outsourced parts (both metal and non-metal) from Ninghai Saipu	8.5	9.0	9.5
Procurement of outsourced parts (both metal and non-metal), electric motors, non-standard equipment and electricity supply from Gloyel Electric (and/or its associates)	273.7	307.0	325.0
Subtotal	**310.2**	**346.0**	**366.5**

The above annual caps were determined based on the following factors:

(i) the historical transaction amounts of the years ended December 31, 2023, 2024 and 2025 under the existing products and services procurement arrangements between the relevant parties, which demonstrated an overall upward trend reflecting the deepening business cooperation between our Group and each of the relevant counterparties;

(ii) the expected increase in our Group's total demand for procurement of the relevant products and services from each of Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric (and/or its associates) to support our operational needs, taking into account (a) the growing demand for outsourced parts, packaging materials and related products arising from our future business expansion into new markets, the ramp-up of production volumes for existing customers, and the expansion of our production capacities and the commissioning of new manufacturing facilities, as the number of product models and customer projects requiring the relevant outsourced parts and packaging materials is expected to increase in line with the expansion of our product portfolio, the acquisition of new customer orders and the increased production output; and (b) the anticipated increase in demand for non-standard automation equipment and ancillary services from Gloyel Electric (and/or its associates), driven by our ongoing investment in new production lines and the upgrading and modification of existing production lines to accommodate new product models and evolving customer specifications, as each new product model or product design change typically requires corresponding modifications to our production lines, and the number of such modification projects is expected to grow in proportion to the increasing number of new product models and design iterations undertaken by our Group;

(iii) the increase in the supplying capacity of electricity service by Gloyel Electric (and its associates), especially considering the power plants that have newly commenced operation since the second half of 2025, which will continuously provide electricity service to our Group for entire years since 2026, and the expected growth in our electricity consumption in line with the expansion of our production scale and the commissioning of additional production facilities; and

(iv) the expected fluctuation in average market price of the supplies, products and services in the three years ending December 31, 2028 including potential increases in raw material costs, labor costs for producing the relevant products and providing the ancillary services, as well as energy prices.

Listing Rules implications

Since Jinxin Packaging, Jinsuoer Automotive, Ninghai Saipu and Gloyel Electric are all associates of Mr. Wu, the transactions under the Product and Service Procurement Framework Agreements have been aggregated pursuant to Rule 14A.81 of the Listing Rules.

In respect of the transactions under the Product and Service Procurement Framework Agreements, as the highest applicable percentage ratio (other than profits ratio) is expected to exceed 0.1% but be less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting, announcement, and annual review requirements under Chapter 14A of the Listing Rules.

5. Procurement of products from Ningbo Qianhui

Principal terms

On [•], 2026, our Company (for itself and on behalf of its subsidiaries) entered into a procurement framework agreement with Ningbo Qianhui (the "Ningbo Qianhui Procurement Framework Agreement"), pursuant to which our Group will procure outsourced parts (both metal and non-metal) from Ningbo Qianhui.

The initial term of the Ningbo Qianhui Procurement Framework Agreement will commence on the [REDACTED] and end on December 31, 2028, subject to renewal through mutual consent by the parties and compliance with all applicable laws, regulations and the Listing Rules.

The parties will enter into separate agreements setting out the specific terms and conditions (including the precise scope of products, fee calculation, payment methods and other details) in respect of the relevant material procurement arrangements based on the principles under the Ningbo Qianhui Procurement Framework Agreement.

Reasons for and benefits of the transaction

Our Group has a long-term and stable business cooperation with Ningbo Qianhui. Ningbo Qianhui provides the outsourced parts (both metal and non-metal) which we may require in the process of our productions and operations. In our ordinary and usual course of business, our Group has been procuring outsourced parts from Ningbo Qianhui from time to time, which enables it to be familiar with our business needs, quality standards and operational requirements in respect of our production and assembly lines. The outsourced parts provided by Ningbo Qianhui are used in our manufacturing processes and are integral to our production activities. Considering Ningbo Qianhui's capability in providing reliable and timely supply of outsourced parts that meet our quality requirements, our Directors believe that maintaining a stable and quality business relationship with Ningbo Qianhui will facilitate our business operations and growth.

Pricing policies

The fees payable by us to Ningbo Qianhui under the Ningbo Qianhui Procurement Framework Agreement shall be determined based on the prevailing market rate, while also making references to factors including market conditions, raw material price fluctuations, exchange rate changes and production capabilities. The terms under the Ningbo Qianhui Procurement Framework Agreement shall not be less favorable than the terms available to our Group for the procurement of same or comparable products from Independent Third Parties (to the extent available) taking into account the quantity and quality of the outsourced parts as well as other transactions terms such as payment terms.

When we procure such outsourced parts in our ordinary and usual course of business, we select suppliers and determine the relevant terms of procurement through arms' length negotiation based on the types and scale of procurement. We select the most suitable suppliers available for selection, which comprise our connected persons and other Independent Third Parties, taking into account the pricing terms, outsourced parts quantity and quality, payment terms and other factors. Ningbo Qianhui and/or associates, like other Independent Third Parties, will need to go through our internal selection and approval procedures in order to become our suppliers under the Ningbo Qianhui Procurement Framework Agreement.

Historical amounts

The transaction amounts paid or payable by us to Ningbo Qianhui in respect of the above outsourced parts (both metal and non-metal) for the years ended December 31, 2023, 2024 and 2025 were approximately RMB41.7 million, RMB57.6 million and RMB68.9 million, respectively.

Annual caps and basis of determination

The maximum aggregate annual amounts of the transaction amounts payable by us to Ningbo Qianhui under the Ningbo Qianhui Procurement Framework Agreement for each of the years ending December 31, 2026, 2027 and 2028 are not expected to exceed RMB80.0 million, RMB90.0 million and RMB95.0 million, respectively.

The above annual caps were determined based on the following factors:

(i) the historical transaction amounts of the years ended December 31, 2023, 2024 and 2025 under the existing material procurement arrangements between the parties implicating a rapid growth in needs for the relevant products;

(ii) the expected increase in our Group's total demand for procurement of the relevant outsourced parts from Ningbo Qianhui to support our operational needs, taking into account (a) the growing demand for outsourced parts arising from our future business expansion into new markets, the ramp-up of production volumes for new and existing product lines and the expansion of our production capacities and the commissioning of new manufacturing facilities; and (b) the deepening cooperation between our Group and Ningbo Qianhui as Ningbo Qianhui continues to expand its product offerings and supply capabilities to meet our evolving production requirements; and

(iii) the expected fluctuation in average market price of the raw materials for producing such outsourced parts in the three years ending December 31, 2028, including potential increases in material costs, as well as a reasonable buffer to accommodate unforeseen changes in market conditions and procurement volumes.

Listing Rules implications

In respect of the transactions under the Ningbo Qianhui Procurement Framework Agreement, as the highest applicable percentage ratio (other than profits ratio) is expected to exceed 0.1% but be less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES ADOPTED BY THE COMPANY IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under the Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee, the Board and various internal departments of our Company are jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- the Audit Committee, the Board and various internal departments of our Company also regularly monitor the fulfillment status and the updates in relation to the continuing connected transactions. In addition, the management of our Company also regularly reviews the pricing policies of the continuing connected transactions;
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and
- when considering the products and services provided by us to, or procured by us from, the above connected persons, our Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms under the relevant transactions, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for those transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

JOINT SPONSORS' CONFIRMATION

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the above non-exempt continuing connected transactions; and (ii) participated in the due diligence and discussions with the management of our Group.

Based on the aforementioned and the Directors' view above, the Joint Sponsors are of the view that the aforesaid non-exempt continuing connected transactions, for which a waiver has been sought, have been and will be entered into in the ordinary and usual course of our business on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVERS [GRANTED] BY THE STOCK EXCHANGE

In respect of the continuing connected transactions as described above under each of the Product and Service Procurement Framework Agreements and the Ningbo Qianhui Procurement Framework Agreement (together, the "Framework Agreements"), the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2028 will exceed 0.1% but be less than 5% on an annual basis. Accordingly, the continuing connected transactions under the Framework 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 annual review requirement under Rules 14A.55 and 14A.56 of the Listing Rules.

As the above continuing connected transactions as contemplated under the Framework Agreements are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement requirement 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 requirement under Rules 14A.35 of the Listing Rules in respect of the continuing connected transactions under each of the Framework Agreements, 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 in this section. The independent non-executive Directors and auditors of the Company will conduct annual review of the continuing connected transactions as contemplated under the Framework Agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

Apart from the announcement requirement from which a waiver is sought, the Company will comply with the applicable requirements under Chapter 14A of the Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.