A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company, then known as Shanghai Fullhan Microelectronics Co., Ltd. (上海富瀚微電子有限公司), was incorporated on April 16, 2004. Our Company was converted into a joint stock company on January 21, 2014 and completed the listing of our A-shares on the Shenzhen Stock Exchange (stock code: 300613) in February 2017. See "History, Development and Corporate Structure — Major Shareholding Changes of Our Company" in this document.

As of the date of this document, our Company's registered address is located at Floor 6, No. 717 Yishan Road, Xuhui District, Shanghai, China, and address of our headquarters is located at Floor 6, No. 717 Yishan Road, Xuhui District, Shanghai, China. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations. The relevant PRC laws and regulations and a summary of the Articles of Association are set out in "Regulatory Overview" and "Appendix III — Summary of the Articles of Association" to this document, respectively.

Our principal place of business in Hong Kong is at 46th Floor, Hopewell Centre, 183 Queen's Road Central East, Wan Chai, Hong Kong. Our Company [has been] registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. Leung has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

As approved by the resolution of the 2023 annual general meeting of shareholders held on May 17, 2024, our Company's issued share capital increased from RMB229,967,436, comprising 229,967,436 A Shares of nominal value of RMB1.00 each, to RMB230,782,689, comprising 230,782,689 A Shares of nominal value of RMB1.00 each, for the exercise of share options by participants under the Company's share incentive schemes during as well as the conversion of the Company's convertible bonds. As approved by the resolution of the 2024 annual general meeting of shareholders held on May 26, 2025, our Company's issued share capital increased from RMB230,782,689, comprising 230,782,689 A Shares of nominal value of RMB1.00 each, to RMB232,229,690, comprising 232,229,690 A Shares of nominal value of RMB1.00 each, for the exercise of share options by participants under the Company's share incentive schemes during as well as the conversion of the Company's convertible bonds. A portion of awards granted pursuant to our 2020, 2021 and 2022 Stock Option Incentive Plan met the exercise conditions and the number of such awards exercised in 2024 and 2025 was 1,217,681 Shares and 725,168 Shares, respectively. In 2024 and 2025, the total number of the A Shares converted from the Company's convertible bonds was 2,196 Shares and 1,162 Shares, respectively. As of the Latest Practicable Date, the numbers of the outstanding stock options granted under the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan were 150,956 and 219,935, respectively and the 2021 Convertible Bonds in the amount of RMB580,191,300, representing 5,801,913 bonds with a par value of RMB100 each, remained outstanding.

In addition, on February 28, 2024, Mr. Yang Xiaoqi, the Chairman of the Board of our Company, proposed that the Company use its own funds to repurchase some of the Company's issued ordinary shares (A Shares) through centralized bidding transactions. On March 8, 2024, the Company held the eighteenth meeting of the fourth session of the Board and approved the proposal on the repurchase plan, agreeing to use no less than RMB50 million (inclusive) and no more than RMB100 million (inclusive) of its own funds to repurchase some of the Company's A Shares through centralized bidding transactions. Pursuant to transactions conducted between March 26, 2024 to May 30, 2024, the Company repurchased a total of 2,214,993 A Shares, at price ranging between RMB28.84 and RMB35.00 per A Share. Upon completion of the repurchase, the repurchased A Shares were held under our Company stock repurchase account as treasury Shares and do not carry any Shareholders' rights, including but not limited to voting rights at the Shareholders' meeting and dividend rights.

As approved by the resolution of the 2025 annual general meeting of shareholders held on April 27, 2026, our Company's issued share capital increased to RMB232,804,819, comprising 232,804,819 A Shares of nominal value of RMB1.00 each, for the exercise of share options by participants under the Company's share incentive schemes as well as the Company's convertible bonds.

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

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note 1 to the Accountants' Report as set out in Appendix I to this document.

Save as disclosed below, there has been no alteration in the total issued share capital of our subsidiaries during the two years immediately preceding the date of this document. For details of our subsidiaries, see "History, Development and Corporate Structure — Our Major Subsidiaries".

(1) Fullhan Microelectronics (Chengdu) Co., Ltd.

On August 8, 2025, the share capital of Fullhan Microelectronics (Chengdu) Co., Ltd. ("**Fullhan Chengdu**") increased from RMB20 million to RMB30 million.

4. Shareholders' Resolutions

At the general meeting of our Company held on October 16, 2025, the following resolutions, among other things, were passed by the Shareholders:

(i) the issuance of H Shares with a nominal value of RMB1.00 each by our Company and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(ii) the number of H Shares to be issued pursuant to the [**REDACTED**] before the exercise of the [**REDACTED**] shall not exceed 15% of the enlarged share capital of our Company upon completion of the [**REDACTED**], and the [**REDACTED**] shall not exceed [**REDACTED**]% of the above number of H Shares to be issued;

(iii) subject to the completion of the [**REDACTED**], the Articles of Association to become effective on the [**REDACTED**] shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and

(iv) authorization of the Board and its authorized person to handle relevant matters relating to, among other things, the [**REDACTED**], the issue and [**REDACTED**] of the H Shares.

5. Restrictions on Repurchase

See "Appendix III — Summary of the Articles of Association" for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

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

2. Intellectual Property Rights

Trademarks

(i) Registered 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	Place of Registration	Registered Owner	Class	Registration Number
1. . .	Fullhan	PRC	the Company	9	5317727
2. . .	MOLCHIP	PRC	Molchip Technology	9	32136235
3. . .		PRC	Molchip Technology	9	32124645
4. . .	眸芯	PRC	Molchip Technology	9	32122193

(ii) Trademark under Registration Process

No.	Trademark	Place of Registration	Applicant	Class	Application Number
1. . .	Fullhan	HK	the Company	9	307016175

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	Type of patent	Place of Registration	Patent Number	Owner
1. . . .	A method and device for wind noise suppression based on multiple microphones (一種基於多麥克風的風噪抑制方法與裝置)	Invention patent	PRC	ZL202210203571.X	the Company
2. . . .	A method and device for high dynamic range image compression (一種高動態範圍圖像壓縮的方法及裝置)	Invention patent	PRC	ZL202011555911.2	the Company
3. . . .	Target tracking system and method (目標跟蹤系統及方法)	Invention patent	PRC	ZL201910330691.4	the Company
4. . . .	Adaptive channel equalization method and device for coaxial video transmission systems, computer storage medium (同軸視頻傳輸系統的自適應信道均衡方法及裝置、計算機存儲介質)	Invention patent	PRC	ZL202111143640.4	the Company
5. . . .	A foreground extraction method and device, readable storage medium (一種前景提取方法及裝置、可讀存儲介質)	Invention patent	PRC	ZL201911328264.9	the Company
6. . . .	A target detection method and target detection system (一種目標檢測方法和目標檢測系統)	Invention patent	PRC	ZL202010291552.8	the Company
7. . . .	A method and device for image color correction based on a 3D look-up table (一種基於三維查找表的圖像顏色校正方法及裝置)	Invention patent	PRC	ZL201911243612.2	the Company
8. . . .	A CFA interpolation processing method and device (一種CFA插值處理方法及裝置)	Invention patent	PRC	ZL201710443972.1	the Company
9. . . .	A coding coefficient elimination method and improved HEVC coding method (一種編碼係數消除方法及改進型HEVC編碼方法)	Invention patent	PRC	ZL202010286969.5	the Company

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner
10. . .	A method and system for high-speed long-distance data transmission in analog HD cameras (模擬高清攝像機高速長距離數據傳輸的實現方法及系統)	Invention patent	PRC	ZL201811615851.1	the Company
11. . .	A speech signal processing method and device (一種語音信號處理方法及裝置)	Invention patent	PRC	ZL201810162252.2	the Company
12. . .	A quantization noise linear fitting method, encoding device, and encoding method (一種量化噪聲線性擬合方法、編碼裝置及編碼方法)	Invention patent	PRC	ZL201710949187.3	the Company
13. . .	A method for effectively suppressing coding ringing artifacts, encoder, and encoding method (一種有效抑制編碼振鈴效應的方法、編碼器及編碼方法)	Invention patent	PRC	ZL201710996726.9	the Company
14. . .	A structural distortion evaluation method and system for RDO strategy (一種對RDO策略的結構性失真度的評估方法及系統)	Invention patent	PRC	ZL201710898532.5	the Company
15. . .	Low bitrate HEVC coding algorithm based on approximate entropy rate (近似熵率的低碼率HEVC編碼算法)	Invention patent	PRC	ZL201711392099.4	the Company
16. . .	Entropy coding system and its coding method based on H.265 video compression standard (基於視頻壓縮編碼標準H.265的熵編碼系統及其編碼方法)	Invention patent	PRC	ZL201610716252.3	the Company
17. . .	A method and device for visually lossless compression of high dynamic range images (一種高動態圖像視覺無損壓縮的方法及裝置)	Invention patent	PRC	ZL201310296563.5	the Company
18. . .	Infrared and visible light image signal processing method and its implementation device (紅外與可見光圖像信號處理方法及其實現裝置)	Invention patent	PRC	ZL201410328864.6	the Company

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner
19. . .	A fast implementation method for video image noise estimation algorithm (一種視頻圖像噪聲估計算法的快速實現方法)	Invention patent	PRC	ZL201110068732.0	the Company
20. . .	A 3D block matching method in video noise reduction processing (一種視頻降噪處理中的三維塊匹配方法)	Invention patent	PRC	ZL200910198131.4	the Company
21. . .	A frame intra prediction mode selection method based on M algorithm and its implementation device (一種基於M算法的幀內預測模式選擇方法及其實現裝置)	Invention patent	PRC	ZL200810041733.4	the Company
22. . .	A context-based adaptive binary arithmetic encoder and its method (一種上下文自適應二進制算術編碼器及其方法)	Invention patent	PRC	ZL200710042108.7	the Company
23. . .	Method and application for processing DDR particle information and backdoor tasks in DDR simulation (DDR仿真中處理DDR顆粒信息和後門任務的方法及應用)	Invention patent	PRC	ZL202011286254.6	Molchip Technology
24. . .	Virtual VDP device and application supporting decoded frame rate control in video surveillance (視頻監控中支持解碼幀率控制的虛擬VDP裝置及應用)	Invention patent	PRC	ZL202111508127.0	Molchip Technology
25. . .	A DSP-based real-time intelligent surveillance target detection method and device (基於DSP的實時智能監控目標檢測方法及裝置)	Invention patent	PRC	ZL202010832881.9	Molchip Technology
26. . .	Video image processing equipment, system, and method based on local non-uniform resolution (基於局部非均勻分辨率的視頻圖像處理設備、系統及方法)	Invention patent	PRC	ZL201811212816.5	Molchip Technology
27. . .	Encoding method and application supporting adaptive allocation of decoded compressed frame buffer (支持解碼壓縮幀緩存自適應分配的編碼方法及應用)	Invention patent	PRC	ZL202010550928.2	Molchip Technology

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner
28. . .	Method and device for improving target detection performance of detection neural networks (提升檢測神經網絡目標檢測性能的方法及裝置)	Invention patent	PRC	ZL202010835666.4	Molchip Technology
29. . .	Region camera-based target tracking method, device, and system (基於區域攝像頭的目標追蹤方法、裝置及系統)	Invention patent	PRC	ZL201911361106.3	Molchip Technology
30. . .	Data segmentation-based image processing method, device, and system (基於數據分割的圖像處理方法、裝置及系統)	Invention patent	PRC	ZL201911361091.0	Molchip Technology
31. . .	Image edge enhancement processing method and application (圖像的邊緣增強處理方法及應用)	Invention patent	PRC	ZL202010931595.8	Molchip Technology
32. . .	Method and device for improving video target detection performance in surveillance edge computing (監控邊緣計算中提升視頻目標檢測性能的方法及裝置)	Invention patent	PRC	ZL202010828519.4	Molchip Technology
33. . .	Denoising method, device, and system based on image pyramid decomposition (基於圖像金字塔分解的去噪方法、裝置及系統)	Invention patent	PRC	ZL202010220866.9	Molchip Technology
34. . .	Video encoding method and device for suppressing intra-block breathing effects in P/B frames (抑制P/B幀中幀內塊呼吸效應的視頻編碼方法及裝置)	Invention patent	PRC	ZL202010138060.5	Molchip Technology
35. . .	A method and device for sound source localization and speech enhancement (聲源定位及語音增強方法與裝置)	Invention patent	PRC	ZL202211632780.2	the Company
36. . .	Motion vector estimation method, system, and readable storage medium (運動矢量估計方法、系統及可讀存儲介質)	Invention patent	PRC	ZL202411968852.X	the Company

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner
37. . .	A method and device for pedestrian detection based on video sequences, and computer storage medium (基於視頻序列的行人檢測方法及裝置、計算機存儲介質)	Invention patent	PRC	ZL202111395417.9	the Company
38. . .	Multi-target tracking system and application based on distance intersection-over-union sorting and matching (基於距離交並比排序匹配的多目標跟蹤系統及應用)	Invention patent	PRC	ZL202211586787.5	Molchip Technology
39. . .	Master-assistant core communication method and system for master-slave architecture chips (主從架構芯片的主從核通信方法及系統)	Invention patent	PRC	ZL202111325067.9	Molchip Technology
40. . .	LVDS receiving circuit and chip with wide input common-mode range (寬輸入共模範圍的LVDS接收電路及芯片)	Invention patent	PRC	ZL202310060754.5	Molchip Technology

Copyrights

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

No.	Name of Software	Place of Registration	Registered Owner
1. . .	Feihuang visual full simulation platform V1.7.4 (飛黃視覺全仿真平台V1.7.4)	PRC	the Company
2. . .	Coolview3 image quality debugging software V3.1.0 (CoolView3圖像質量調試軟件V3.1.0)	PRC	the Company
3. . .	Camera data transmission stability automated testing system V1.2 (攝像頭數據傳輸穩定性自動化測試系統V1.2)	PRC	the Company
4. . .	AI_TEST_TOOL system V1.0 (AI_TEST_TOOL系統V1.0)	PRC	the Company
5. . .	Real-time platform stream player software V1.0 (實時平台流播放器軟件V1.0)	PRC	the Company
6. . .	Audio quality debugging software V1.0 (音頻質量調試軟件V1.0)	PRC	the Company
7. . .	Fullhan platform nn debugging tool suite software V1.0 (fullhan平台NN調試工具組軟件V1.0)	PRC	the Company

No.	Name of Software	Place of Registration	Registered Owner
8. . .	ISP video filter frequency response testing system V2.2 (ISP視頻濾波器頻譜特性測試系統V2.2)	PRC	the Company
9. . .	Fullhan platform RTOS memory management software V1.0 (Fullhan平台RTOS內存管理軟件V1.0)	PRC	the Company
10. .	Fullhan microelectronics chip automated testing platform software V1.0 (富瀚微芯片自動測試平台軟件V1.0)	PRC	the Company
11. .	Fullhan microelectronics fisheye lens panoramic roaming and correction IOS version software V2.0 (富瀚微電子魚眼鏡頭全景漫游及矯正IOS版軟件V2.0)	PRC	the Company
12. .	Fullhan micro RTT system peripheral driver software V1.0 (富瀚微RTT系統外設驅動軟件V1.0)	PRC	the Company
13. .	Fullhan micro audiocodec driver software V1.0 (富瀚微AudioCodec驅動軟件V1.0)	PRC	the Company
14. .	MouXin Audio-Video Chip Automated Verification Software [Abbreviation: Chip Automated Verification Software] V 1.0 (眸芯音視頻芯片自動化驗證軟件[簡稱：芯片自動化驗證軟件]V1.0)	PRC	Molchip Technology
15. . .	MouXin Technologies Download Tool Software V1.0 (眸芯科技下載工具軟件V1.0)	PRC	Molchip Technology
16. . .	MouXin Surveillance Video Input Unit (VIU) Chip Testing Software V1.0 (眸芯監控視頻輸入處理單元（VIU）芯片測試軟件V1.0)	PRC	Molchip Technology
17. .	Automated testing platform software V1.0 (自動化測試平台軟件 V1.0)	PRC	the Company

Domain Names

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

No.	Domain Name	Registration Owner
1. . .	fullhan.com	the Company
2. . .	molchip.com	Molchip Technology
3. . .	ygtek.cn	Shanghai YG

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests of Directors and Chief Executive

To the best knowledge of our Directors, saved as disclosed below, immediately following the completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any 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 they are 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.

Interest in Shares of our Company

Name	Position	Nature of Interest	Number and description of Shares	Approximate % of the issued Shares immediately after the [REDACTED][(1)]
Mr. Yang Xiaoqi[(2)] . .	Chairman of the Board, executive Director and chief executive officer	Beneficial owner	17,430,860 A Shares	[**REDACTED**]%
		Interest jointly held with other persons	39,931,148 A Shares	[**REDACTED**]%
Mr. Wan Jianjun	Executive Director	Beneficial owner	175,841 A Shares	[**REDACTED**]%
Mr. Li Yuan[(3)]	Executive Director	Interest in controlled corporation	282,102 A Shares	[**REDACTED**]%

Notes:

(1) Assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

(2) For details of the interest held by Mr. Yang, see "Substantial Shareholders."

(3) As of the Latest Practicable Date, Yunnan Tenghan Enterprise Management Center (LP) (雲南騰瀚企業管理中心（有限合夥）), an employee shareholding platform, held 282,102 A Shares. Mr. Li Yuan is the general partner and one-third limited partner of Yunnan Tenghan Enterprise Management Center (LP). For the purpose of SFO, Mr. Li Yuan is deemed to interested in the Shares held by Yunnan Tenghan Enterprise Management Center (LP).

2. Interest of Substantial Shareholders

Interests in the Shares of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of our Company or had option in respect of such capital.

Interests in our Company's subsidiaries

Name of subsidiary	Name of shareholder	Percentage of Interest in the Subsidiary (%)
Shanghai YG	Ms. Wang Jiahuan(1)	11.25%
	Hai Feng(2)	29.52%
Molchip Technology	Shanghai Lingxin(3)	13.32%
	Yang Songtao(4)	0.17%

Notes:

(1) Ms. Wang Jiahuan is an Independent Third Party (save for her being the shareholder of Shanghai YG).

(2) Hai Feng is an Independent Third Party (save for it being the shareholder of Molchip Technology). For more details, see "History, Development and Corporate Structure – Our Shareholding and Corporate Structure".

(3) Shanghai Lingxin is an Independent Third Party (save for it being the shareholder of Molchip Technology). For more details, see "History, Development and Corporate Structure – Our Shareholding and Corporate Structure".

(4) Yang Songtao is the general partner of Shanghai Lingxin. For more details, see "History, Development and Corporate Structure – Our Shareholding and Corporate Structure".

So far as set out above and save as disclosed in the Document, as of the Latest Practicable Date, to the best knowledge of our Directors, other than members of our Group, the Directors or chief executive of our Company, none of any persons or entities was interested in 10% or more of the voting rights at general meetings of our subsidiaries.

3. Particulars of Service Contracts

Our Company [has entered] into a service agreement with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observations of Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of 3 years following his/her respective effective date of his/her respective effective date of his/her appointment; and (b) each of the agreements is subject to termination in accordance with their respective terms.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

4. Directors' remuneration

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Senior Management." and note 8 to the Accountants' Report as set out in Appendix I.

5. Disclaimers

Save as disclosed in this document,

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;

(b) none of our Directors or any of the parties listed in "— D. Other Information — 8. Consents of Experts" below:

(i) has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(ii) is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(c) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(d) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the [**REDACTED**], 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 SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(e) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

6. Share Incentive Plans

The following is a summary of the key terms of the share incentive plans currently being implemented by our Company, namely the 2021 Stock Option Incentive Plan, the 2022 Stock Option Incentive Plan ("**Stock Option Incentive Plans**") and the 2026 Restricted Stock Incentive Plan ("**Share Incentive Plans**"). The terms of Share Incentive Plans do not involve any grant of share awards by our Company after the [**REDACTED**] and are not subject to the provisions of Chapter 17 of the Listing Rules. The terms of the Share Incentive Plans are summarized below.

(1) Purposes

The purposes of the Share Incentive Plans are to further establish and improve our long-term incentive mechanism, attract and retain outstanding talents, and fully motivate the enthusiasm of core management and technical or business personnel. The Share Incentive Plans are implemented to align the interests of our Shareholders, our Company and our core team members, which is beneficial to ensure all parties jointly focus on our Company's long-term development.

(2) Type of Awards

The share awards are granted in the form of stock options under Stock Option Incentive Plans and to be granted in the form of restricted stocks under the 2026 Restricted Stock Incentive Plan. The A Shares underlying the stock options under the Stock Option Incentive Plans can only be issued after the vesting or exercise thereof.

(3) Administration

Each of the Share Incentive Plans is subject to the approval of our Company's general meeting, administration of the Board and the supervision of the independent non-executive Directors.

(4) Participants

Participants under the Share Incentive Plans include (as the case may be), (i) core management personnels, and (ii) core employees, but do not include (a) independent non-executive Directors, (b) supervisors, and (c) Shareholders who, individually or in aggregate, holding 5% or more of the Shares of our Company, or actual controller(s) and their respective spouse, parents and children.

(5) Source and Number of Shares

The underlying Shares for the Share Incentive Plans are new A Shares to be issued by our Company. The maximum number of Shares granted to any individual grantee under Share Incentive Plans shall not exceed 1% of our Company's total share capital. The maximum number of stock options available to be granted under each Stock Option Incentive Plan is 1.8 million. The maximum number of restricted stocks available to be granted under the 2026 Restricted Stock Incentive Plan is 2.2 million.

(6) Date of Grant and Vesting Periods of the Plans

The grant date of stock options and restricted stocks shall be determined by the Board after the approval of the Share Incentive Plans by the Shareholders at a general meeting. Unless otherwise stipulated by laws and regulations, the grant date must be a trading day of the Shenzhen Stock Exchange. The grant of stock options and the grant of restricted stocks are subject to the approval of the Board and shall be registered and announced within 60 days after the approval of the Share Incentive Plans at a general meeting. The vesting periods for the stock options granted under the Stock Option Incentive Plans are 12 months, 24 months, 36 months, and 48 months, respectively, from the date of grant. The vesting periods for the restricted stocks granted under the 2026 Restricted Stock Incentive Plan are 12 months, 24 months and 36 months, respectively. The grantees may become eligible to exercise their stock options only after the Stock Option Incentive Plans are approved by the Shareholders' meeting and the respective vesting periods have been completed.

(7) Lock-up Arrangements

The lock-up arrangements under the Share Incentive Plans are determined according to the Articles of Association and applicable PRC laws and regulations:

(i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(ii) if the grantee is a Director or senior management of our Company and their respective spouse, parents and child(ren), income gained through sale of Shares of our Company within six months of the purchase or repurchase of Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board; and

(iii) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of each of the Stock Option Incentive Plans, the grantee shall comply with the amended laws and regulations and the Articles of Association.

(8) Exercise Price and Grant Price

The initial exercise price of the options granted under the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan is RMB123.72 per A Share and RMB124.23 per A Shares, respectively, while the grant price of the restricted stocks is RMB20.84 per A shares under the 2026 Restricted Stock Incentive Plan. The exercise price and the grant price will be adjusted upon the occurrence of certain events, including among others, increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares, issue of new shares or payment of dividends. As at the Latest Practicable Date, the exercise price of the options granted under the 2021 Stock Option Incentive Plan ranges from RMB42.81 to RMB88.47 per A Share and the exercise price of the options granted under the 2022 Stock Option Incentive Plan is RMB64.80 per A Share.

(9) Conditions to Vesting and Exercise of Stock Options and Grant of Restricted Stocks

Stock options will only be vested to and restricted stocks will only be granted to eligible participants if the following conditions are fulfilled:

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

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

(b) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year;

(c) our Company has failed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing on the Shenzhen Stock Exchange;

(d) implementation of any share incentive plan is prohibited under applicable laws and regulations; or

(e) any other circumstances determined by the CSRC.

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

(a) he or she has been regarded as an inappropriate participant by a stock exchange within the last 12 months;

(b) he or she has been regarded as an inappropriate participant by the CSRC or its local office within the last 12 months;

(c) he or she has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months;

(d) he or she is not qualified to serve as a director or senior management according to the PRC Company Law;

(e) he or she is prohibited from participating in any share incentive plans of listed companies according to applicable laws and regulations; or

(f) any other circumstances determined by the CSRC.

Except for the above conditions with respect to the Company and the grantees, grantees are eligible to exercise their awarded stock options or arrange for the vesting of the restricted stocks during the relevant period if the following conditions are fulfilled:

(iii) With respect to Company level performance target:

The stock options granted under the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan are subject to a four-fiscal-year performance review period spanning from 2021 to 2024 and 2022 to 2025, respectively. The restricted stocks under the 2026 Restricted Stock Incentive Plan is subject to a three-fiscal-year performance review period spanning from 2026 to 2028. The options will be exercised annually based on our Company's performance assessment, with the fulfillment of annual performance targets serving as the vesting condition for the grantees.

(iv) With respect to individual level performance target:

Individual performance assessments under the Share Incentive Plans will be conducted in accordance with the Company's existing compensation and assessment policies. The exercise ratio or the vesting ratio for each grantee will be determined based on their assessment results.

(10) Outstanding Share Incentives

As of the Latest Practicable Date, save for the 2026 Restricted Stock Incentive Plan under which no shares have been granted, the numbers of the outstanding stock options granted under the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan were 150,956 and 219,935, representing approximately [**REDACTED**]% and [**REDACTED**]% of the total issued Shares immediately following the completion of the

[**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). If (i) all outstanding stock options granted under the 2021 Stock Option Incentive Plan are fully exercised and (ii) all outstanding stock options granted under the 2022 Stock Option Incentive Plan are fully exercised, assuming the [**REDACTED**] is not exercised and no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], the issued and outstanding Shares held by Shareholders following the [**REDACTED**] will be diluted by approximately [**REDACTED**]% and [**REDACTED**]%, respectively. The impact on earnings per Share following the [**REDACTED**] upon full exercise of the outstanding stock options granted under each of the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan (assuming that (i) A Shares will be issued for the exercise of the outstanding stock options, (ii) the [**REDACTED**] is not exercised, and (iii) no other changes are made to the total issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]) is expected to be minimal, as there will be minimal increase in the diluted weighted average outstanding Shares following the [**REDACTED**], which brought minimal dilutive effect as compared to the total Shares in issue.

As at the Latest Practicable Date, save for the 2026 Restricted Stock Incentive Plan under which no shares have been granted, all the grantees of the Share Incentive Plans were employees of our Company and none of them are Directors, senior management or connected person of our Company. None of the grantees under the Stock Option Incentive Plans held options to subscribe for an aggregate number of 10,000 or more A Shares as of the Latest Practicable Date. The tables below set forth the details of the outstanding options granted to the grantees under each of the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan:

The 2021 Stock Option Incentive Plan

Grantees	Date of Grant	Vesting Period/ Exercise Period	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2021 Stock Option Plan	Approximate Percentage in the Issued Shares Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the 2021 Stock Option Plan)
30 employees with outstanding options to acquire less than 10,000 A Shares	March 16, 2021 and October 14, 2021	48 months	RMB42.81 to RMB88.47	150,956	[**REDACTED**]%

The 2022 Stock Option Incentive Plan

Grantees	Date of Grant	Vesting Period/ Exercise Period	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2022 Stock Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the 2022 Stock Option Incentive Plan)
174 employees with outstanding options to acquire less than 10,000 A Shares	March 29, 2022 and October 27, 2022	48 months	RMB64.8	219,935	[**REDACTED**]%

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, save as disclosed in this document, we were not aware of any litigation or arbitration proceedings of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor's Independence

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the [**REDACTED**] of, and [**REDACTED**] in, our H Shares to be issued pursuant to the [**REDACTED**]. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [**REDACTED**] is US$500,000.

4. Compliance Adviser

Our Company has appointed Altus Capital Limited as our Compliance Adviser in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of Holder 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 effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

7. Promoters

Within two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document.

8. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents 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.

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
King & Wood	PRC Legal Adviser to our Company
Frost & Sullivan	Industry consultant

Save for the interests of Huatai Financial Holdings (Hong Kong) Limited's affiliate in 156,990 A Shares, as of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

9. 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 Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Binding Effect

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

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, business position or prospects since June 30, 2025, being the end date of the periods reported on our consolidated financial statements as set out in the Accountants' Report as set out in Appendix I to this document.

Miscellaneous

Save as disclosed in this document:

(i) within the two years immediately preceding the date of this document, to the best of our knowledge,

  (a) neither our Company nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and

  (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

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

(iii) no share or loan capital or debenture of our Company or any of the subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid otherwise than in cash;

(iv) no share or loan capital or debenture of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

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

(vi) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months proceeding the date of this document; and

(vii) our Company has no outstanding convertible debt securities or debentures.